

DAILY REPORT

China

Vol I No 034

20 February 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

LIAOWANG on Relations, Efforts To Rejoin GATT [3 Feb]	A 1
Adelman Predicts Progress in INF Talks	A 3
Huang Hua Departs for Interaction Council Meeting	A 3

UNITED STATES

2-Month Survey of Western Pacific Ends	B 1
U.S.-Asia Institute Conference on Trade Opens	B 1
Admiral Crowe Speaks	B 1
RENMIN RIBAO on Aftermath of Shuttle Explosion [8 Feb]	B 2
RENMIN RIBAO on Impact of Oil Price Decline [12 Feb]	B 3
Response to EC Trade Reprisal Possible	B 4

SOVIET UNION

New 'Mir' Space Station Launched Into Orbit	C 1
Soviet Economist Urges Flexible Price Policy	C 1

NORTHEAST ASIA

RENMIN RIBAO Reports on Arrests in South Korea [17 Feb]	D 1
RENMIN RIBAO Cites DPRK on U.S. Exercises [15 Feb]	D 1

SOUTHEAST ASIA & PACIFIC

CGDK Leaders Reaffirm Sihanouk's Position	E 1
CGDK Radio Stresses Coalition Government Unity	E 1
Reporters Visit Cambodian Refugee Camp [CHINA DAILY 17 Feb]	E 1
Sihanouk Army Commander on Cambodian Developments	E 3
Laos, U.S. Begin MIA Search at Crash Site	E 3
Philippine Bishops Condemn Election Fraud	E 3
Radio Beijing Reports Marcos' CBS Interview	E 4
Marcos Raps Foreign Intervention in Philippines	E 4
Zhou Qizhen Attends Political Talks in Australia	E 4

EASTERN EUROPE

XINHUA 'Feature' on Bulgarian Workers in USSR	H 1
'Round-up' Assesses Hungarian Trade for 1981-85	H 1

MIDDLE EAST & AFRICA

Foreign Ministry Official Meets Iranian Minister	I 1
Mauritania's Taya Leaves Nouakchott for Beijing	I 1
Murphy Cited on U.S. Position on Palestinians	I 1
U.S.-Libyan Encounters Off Coast Reported	I 1

WESTERN HEMISPHERE

Trade Union Delegation Leaves for Mexico	J 1
Beijing Reception Marks Mexican Army Day	J 1
Canada Relaxes Controls on Exports to PRC	J 1
CHINA DAILY Commentator on Events in Haiti [20 Feb]	J 1
XINHUA Assesses President Reagan's Grenada Visit	J 2
Satellite Links Beijing With Antarctic Station	J 3

PRC NATIONAL AFFAIRS

Reform Prospects for Year of Tiger Examined [LIAOWANG 3 Feb]	K 1
XINHUA Commentator Encourages Increased Savings	K 2
PLA Party Style To Be Examined, Rectified [LIAOWANG 10 Feb]	K 3
Zhao Ziyang, Hu Qili, Tian Jiyun Inspect Hainan	K 6
Communications Satellite Reaches Permanent Orbit	K 8
Central Organs Congratulations	K 8
Nie Rongzhen Reviews Astronautic Accomplishments [RENMIN RIBAO 13 Feb]	K 8
Minister Urges Efforts for Bumper Wheat Crop	K 11
Communications Minister on Administrative Reform	K 11
Justice Minister on Popularizing Legal Knowledge	K 12
Railways Minister Calls for Increased Capacity	K 13
Industry, Commerce Bank Outlines 1986 Tasks	K 13
Bank of China To Support Domestic Construction	K 15
Bank Offers Rural Foreign Currency Loans [CHINA DAILY 14 Feb]	K 16
LIAOWANG Cites Successes in Population Control [10 Feb]	K 16
Migrants Reportedly Pose Problems for Cities [CHINA DAILY 15 Feb]	K 18
Deng Liqun Speaks at Job Training Conference	K 18
Peng Zhen Inspects Tianjin People's Congress	K 20
Xi Zhongxun, Others View Beijing Performance	K 20
RENMIN RIBAO Carries HONGQI Table of Contents [15 Feb]	K 21

PRC REGIONAL AFFAIRS

EAST REGION

'Massive' Project Planned To Deal With Huangpu Pollution [CHINA DAILY 20 Feb]	O 1
--	-----

CENTRAL-SOUTH REGION

Guangdong Issues Special Accounting Regulations	P 1
Guangdong Acts To Solve Traffic Problems [CHINA DAILY 18 Feb]	P 2
PLA Unit Helps Construction of Henan Bridge	P 3
Henan To Implement Spark Plan for Rural Areas	P 3
Peasant Incomes Soar in Hunan Province	P 3

SOUTHWEST REGION

Sichuan's Yang Rudai Views Current Situation	Q 1
Wu Jinghua Attends Xizang Prayer Ceremony	Q 2
Lamas Return From India for Xizang Ceremony	Q 3

NORTHWEST REGION

Gansu Circular Lists Abuses by Lanzhou Cadres	T 1
Ningxia Regulations on Improving Work Style [NINGXIA RIBAO 31 Jan]	T 1

TAIWAN

Paper Views U.S. Influence in Philippines	V 1
CHINA POST on Philippines Election Controversy [17 Feb]	V 1
Chiang Ching-kuo Speaks at KMT Committee Meeting	V 2
KMT Meetings To Begin 29 March, Last 3 Days	V 2

HONG KONG MEDIA ON CHINA

Xu Jiatun Elaborates on Macao Policy, Talks [WEN WEI PO 14 Feb]	W 1
MING PAO Reports Continued Crackdown on Crime [18 Feb]	W 2
TA KUNG PAO Cites Improvements in PLA Weapons [15 Feb]	W 3
Navy To Improve Officer-Sailor Relations [MING PAO 17 Feb]	W 4
Journal Calls Beijing Cadre 'Star of Tomorrow' [KUANG CHIAO CHING 16 Feb]	W 5
Coal Predicted To Remain Major Source of Energy [SOUTH CHINA MORNING POST 13 Feb]	W 9

LIAOWANG ON RELATIONS, EFFORTS TO REJOIN GATT

HK180733 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 5, 3 Feb 86 pp 28-29

[Article by Yu Jiafu: "China's Relations With GATT"]

[Text] There has been a new development in the relations between GATT and China. In January this year, Arthur Dunkel, director general of GATT, and (Roselle), counselor of the legal affairs department, visited China at the invitation of Zheng Tuobin, minister of foreign economic relations and trade. They exchanged views with senior Chinese leaders on China's status in GATT.

The General Agreement on Tariffs and Trade provisionally went into effect in 1948. GATT now has 90 officially contracting parties. It is a multilateral agreement on international trade. In fact, it is also the biggest multilateral institution in the field of international trade. In May 1948, the then KMT government represented China in joining GATT, and becoming one of the contracting parties. After the founding of the PRC, the Taiwan authorities illegally withdrew from GATT, in March 1950. In January 1965, they illegally applied for, and were granted, the status of observer participating in the general assembly of the contracting parties of GATT. In October 1971, China's legal seat in the United Nations was restored. In November of the same year, GATT deprived Taiwan of its observer status.

In recent years, China has increased its contacts with GATT. China has four times had a nonvoting delegate attend the annual general assembly. China also participated in the international textile trade agreement (MFA), which was reached under the auspices of GATT, and became a member of the textile committee under GATT. China's trade volume with members of GATT accounted for more than 85 percent of the total volume of its foreign trade. GATT, the IMF, and the World Bank have become the three main pillars of the capitalist economy. At present, more than 85 percent of world trade is carried on among contracting parties of GATT.

However, for historical reasons, China's relations with GATT have been suspended for a long time. Many contracting parties of GATT do not yet sufficiently understand China's position in demanding the restoration of its membership. Therefore, it is necessary for China to strengthen its contacts with the GATT Secretariat in order to exchange views through bilateral or multilateral consultation.

Before Director General Dunkel's visit to China, his legal advisor, (Linton), and councillor of the Department of Economic Research and Analysis, (Vold), came to China to discuss with the Chinese side some legal matters and other problems involved in China's resumption of its membership. They visited Guangzhou, Shenzhen, and Xian.

Dunkel said that the purpose of his visit was to brief China on the situation of GATT, and to pass on the views of the contracting parties on China's intention to resume its membership in the organization. During his stay in China, he held several talks with leaders of the Chinese ministries and commissions concerned to exchange views.

On 10 January, Zhao Ziyang, State Council premier, met with Director General Dunkel at the Ziguangge in Zhongnanhai, and talked with him for 40 minutes. First of all, Zhao Ziyang thanked Mr Dunkel and the secretariat of GATT for their efforts to restore China's status as a contracting party. Zhao Ziyang said: China's policy of opening up to the outside world is advancing in depth. This is an irreversible trend. China hopes to return to GATT as early as possible. This conforms to the needs of China's policy of opening up to the outside world.

Zhao Ziyang added: If China restores its membership in the GATT, it will further expand its trade contacts with members of the organization. Judging from the development trend of China's foreign trade, China needs not only to expand exports, but also to increase imports. China is a big market. To develop its economic construction, China needs to import many things. However, without exports it will be devoid of means of payment.

Zhao Ziyang also told the director general that with the progress of China's economic structural reform, the differences between China and most of the member states of GATT in certain aspects such as foreign trade system, prices, and exchange rate will be narrowed. He hoped that member states of GATT would have a better understanding of China, and pay attention to such developmental trends.

After the talks, Dunkel stated that Premier Zhao's meeting with him showed that the Chinese Government attaches importance to the development of relations between China and GATT. Premier Zhao's remarks had left a very deep impression on him so that he understood China's position on resuming its membership in GATT, and its determination to implement the policy of opening up firmly and for a long period. Dunkel stressed that he would continue to strive to restore China's membership in GATT.

Foreign Minister Wu Xueqian also met Director General Dunkel. Wu said that he appreciated the step taken by GATT in 1971 to terminate the participation of the Taiwan authorities in the general assembly of contracting parties, with "observer status" in accordance with the UN resolutions on restoring China's legitimate seat in the organization. As one of the earliest contracting parties, China hopes to resume its seat in GATT. He stated that China has always promoted its economic and trade contacts with various countries on the basis of equality and mutual benefit. After the restoration of its membership in GATT, China will develop its trade relations with member states of the organization in accordance with this principle.

During his stay in Beijing, Dunkel also met responsible persons of the State Economic Commission, the State Planning Commission, the Ministry of Foreign Economic Relations and Trade, and the General Administration of Customs. He also talked with figures in Chinese economic circles to gain an understanding of China's economic structural reform.

Li Ke, representative of the minister of foreign economic relations and trade, briefed Dunkel on China's economic structural reform, foreign trade system, and foreign trade policy, and answered questions on the special economic zones raised by the guest. Li Ke said: While opening up to the outside world, China is not only actively developing bilateral economic and trade relations, but also actively participating in multilateral economic and trade activities. For example, China participates in the MFA. Li Ke pointed out: The restoration of China's membership in GATT is needed not only by China itself, but also by member states of GATT.

Dunkel stated that, through several discussions with the departments concerned in China, he understands that the Chinese economic system is unique. There is no precedent in this regard. He would report on his China trip and the economic situation of the country to member states of GATT. In the meantime, he also hoped that trade policy experts from China and GATT would further increase their contacts.

During his stay in China, Dunkel gave a detailed report on the basic principles and activities of GATT. At a symposium organized by the Institute of World Economy and Politics under the Chinese Academy of Social Sciences, Dunkel gave a report emphasizing GATT's principles of nondiscrimination, mutual benefit, free trade, and proper competition. He stressed that the aim of GATT is to reduce or abolish tariff and other trade barriers through the implementation of unconditional and nondiscriminatory most-favored-nation treatment to promote freedom of trade and mutually beneficial, multilateral competition in trade.

Director General Dunkel's visit will promote mutual understanding between the GATT and its contracting parties and China. There is no doubt that this will be beneficial to the efforts of the GATT to play a more active role in world economic affairs.

ADELMAN PREDICTS PROGRESS IN INF TALKS

OW190240 Beijing XINHUA in English 0227 GMT 19 Feb 86

[Text] Washington, February 18 (XINHUA) -- The United States and the Soviet Union are most likely to make some progress in the area of intermediate-range nuclear forces (INF) in their arms control talks, U.S. Arms Control and Disarmament Agency Director Kenneth Adelman told the Philadelphia World Affairs Council today.

He predicted this for several reasons, he said. First, for a while now the INF issue has been "out of the limelight and there is sometimes a reverse correlation between the glare of publicity and the seriousness of Soviet negotiators," said Adelman. Second, he added, there are only a few types of weapons systems primarily involved -- the Soviet SS-20s, the U.S. Pershing IIs and ground-launched cruise missiles. And finally, he said, the Soviets have made suggestions in this direction.

He said the door to agreements "is creaking open" and "it is up to the Soviets to walk through." He added that "there are concrete things we can accomplish in arms control, if the Soviets are willing to buckle down to the business of bargaining." Adelman also cited some "key problems" in arms control.

The first problem, he said, is to separate propaganda from real negotiations. He blamed the Soviet Union by saying that "it would be nice to have a cease-fire on the Soviet propaganda front and more engagement on the negotiating front." The second problem, he said, is "convincing the Soviets that lopsided positions will not get them anywhere and should be dropped." He added that in the present negotiations, the Soviets "continue to count as 'strategic' a number of intermediate-range systems on our side, while excluding comparable systems on theirs." That is "just not acceptable" to the United States, he said. In addition, he went on, the Soviets continue to link cuts in offensive strategic weapons to a complete ban on SDI, the "star wars" program. Such preconditions for an agreement "are clearly unreasonable," he stressed, adding that "they too impede progress" and "must be dropped for the sake of real arms control."

The third problem, he said, is that of verification and compliance. On Gorbachev's new arms control proposal made on January 15, Adelman said, "There is a bit of movement in the current Gorbachev proposal -- movement worth picking up to see whether the Soviets are sincerely interested in moving forward in arms control." However, he added, it "still contains unacceptable elements" and the proposal "did not change previous Soviet positions in strategic or defense and space areas." He said the United States has been carefully studying the proposal, but "it is yet to be seen if the Soviets will follow up in serious negotiations."

HUANG HUA DEPARTS FOR INTERACTION COUNCIL MEETING

OW191049 Beijing XINHUA in English 0910 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- Huang Hua left here today to attend the second meeting of the policy board of the Interaction Council of former heads of governments, to be held between 24 and 26 (February) in Washington, D.C. Huang was former Chinese vice-premier and foreign minister.

Seeing him off at the airport was Ye Fei, vice-chairman of the Standing Committee of China's National People's Congress. Founded in 1983, the Interaction Council is an independent international organization. Huang is a member of the council's policy board.

2-MONTH SURVEY OF WESTERN PACIFIC ENDS

OW191610 Beijing XINHUA in English 1454 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- Chinese oceanographers said today their recent findings about the western Pacific Ocean provide new insights into fishing resources and the interaction of weather and water.

Participating in a joint Sino-U.S. survey of the western Pacific over the past two months, the scientists on board Xiangyanghong No. 14 did research at 251 observation spots on marine physics, chemistry, biology, meteorology and sea currents and the water temperature and salt content of sea water. The survey was completed Tuesday, according to China's State Bureau of Oceanography. The Chinese research ship, which altogether sailed 14,700 nautical miles in the Pacific, is now returning to China through the Balintang Channel north of the Philippines. The ship is scheduled to reach Guangzhou in South China February 24.

Chinese oceanographer Wang Zhongshan told XINHUA that most of the ship's observation projects were being conducted by the Chinese scientists for the first time during the voyage, including obtaining soil samples 4,500 meters deep. He said the new data will be analyzed within two months and exchanged with the U.S. side. U.S. oceanographer Robert Millard said the survey marked the first U.S. study of the western Pacific. He said the voyage showed there existed "vast prospects for cooperation in marine research" between the United States and China. The Chinese ship left Guangzhou for the western Pacific December 12, 1985. The trip is the first of eight of its kind planned for the four-year Sino-U.S. joint survey.

U.S.-ASIA INSTITUTE CONFERENCE ON TRADE OPENS

OW200254 Beijing XINHUA in English 0240 GMT 20 Feb 86

[Text] Washington, February 19 (XINHUA) -- The U.S.-Asia Institute today began its 1986 national conference on trade, technology and security. The two-day conference, sponsored by the non-profit institute in cooperation with the U.S. Department of State, and the U.S. Information Agency, is to focus on "Vision of the Future: The Next Decade in U.S.-Asia Trade." U.S. Secretary of State George Shultz made a brief opening statement to welcome senior officials from the People's Republic of China, Japan, the Philippines, Indonesia, Singapore, Thailand and other Asian areas along with their counterparts from the United States.

This morning's session discussed "trade policies and common interests in the Pacific" and how the economic development strategies of Pacific nations affect their trade policies. Dr S.C. Pu, Chinese representative to the conference who is advisor to the Academy of Social Sciences of China, gave his views. Admiral William Crowe, chairman of the Joint Chiefs of Staff of the United States, is scheduled to address the conference luncheon on "The Security Underpinnings of U.S.-Asia Economic Relations." U.S. Senator Richard Lugar, who had just returned from the Philippines, will discuss "Legislative Perspectives on the Impact of Trade Frictions on U.S.-Asia Relations". U.S. Assistant Secretary of State for East Asian and Pacific Affairs Paul Wolfowitz, who is ambassador designate to Indonesia, will talk on "The Political Dimensions of U.S.-Asia Trade."

Admiral Crowe Speaks

OW200728 Beijing XINHUA in English 0716 GMT 20 Feb 86

[Text] Washington, February 19 (XINHUA) -- The United States must maintain its military superiority in the Pacific to counter Soviet influence there, a top U.S. military man said today.

U.S. Joint Chiefs of Staff Chairman Admiral William Crowe told the U.S.-Asia Institute conference which opened today that "If the Soviet union were one day to achieve a decided superiority in the Pacific, the very foundations of our Asian foreign policy would be threatened -- not to mention the consequences in the event of hostilities." He added it is imperative to support the Reagan administration's long-term defense programs. "Otherwise," he said, "we are simply going to be outstripped by the Soviets." He warned that to ease U.S. military momentum in the region now "would be a grave -- and perhaps this time irretrievable -- mistake."

He admitted that in his view, U.S. deterrent policy in the region has worked well, adding that "if it is to continue to do so, we must match the growing Soviet build-up with a consistent and rational defense policy geared for the long run, instead of one marked by the peaks and valleys which have characterized so much of our peacetime history." Crowe said he is optimistic about the future of the Asian and Pacific region. However, he said there are clouds on the horizon.

On U.S.-China relations, Crowe said Americans now regard China as "a friendly, non-aligned country with which we enjoy a normal diplomatic relationship, a productive dialogue on a host of political issues, an expanding trade." He said that "a secure and successfully modernizing China can be a force for peace and stability in East Asia and the world." Chinese Ambassador Han Xu attended today's U.S.-Asia Institute conference, which will close tomorrow.

RENMIN RIBAO ON AFTERMATH OF SHUTTLE EXPLOSION

HK190701 Beijing RENMIN RIBAO in Chinese 8 Feb 86 p 6

["Roundup" by Fang Min and Zhang Dezhen: "After the Explosion of the U.S. Space Shuttle"]

[Excerpts] The explosion of the U.S. space shuttle "Challenger" has greatly shocked the U.S. Government and public and made a great impact abroad. After the explosion, NASA sent many airplanes and ships to search for wreckage of the space shuttle in the hope of finding the cause of the explosion. President Reagan also ordered the establishment of a commission in charge of the investigation. This accident has not only directly impacted on and disrupted the ambitious U.S. spaceflight project, but will also have an inestimable political, economic, and military influence on the country.

At the moment, the U.S. Government is very cautious in commenting on the cause of the explosion of "Challenger," while the opinions of specialists and the mass media are varied.

It is reported that the Pentagon has been using space shuttles all along to conduct basic experiments relating to the Strategic Defense Initiative, and the Soviet Union is very concerned about whether this accident would hamper the U.S. process for implementing this project. Recently, when talking about the crash of the U.S. space shuttle, TASS even remarked that this tragedy had shown that U.S. space technology was unreliable and the Strategic Defense Initiative was in itself an extremely dangerous idea. KYODO NEWS SERVICE pointed out: If the Strategic Defense Initiative has something inherently wrong, then the position of the Reagan administration, which has always taken the project as an ace in its hands, will be weakened in the negotiations, and this will in turn have a profound military and diplomatic influence on the United States. However, a U.S. undersecretary of defense said: Although the crash of the space shuttle may postpone the "star wars" experiment, it will have no long-term effect on the program.

The long-term influence of the crash of "Challenger" on the United States and its psychological effect on the public are more notable. Some psychologists hold that this event has inflicted a deep mental wound on the United States since the space shuttle is a symbol of the country. Some foreign news agencies even thought that the tragedy of "Challenger" would remain the most profound mental scar that the whole nation has suffered since the assassination of President Kennedy. According to many space science analysts, the explosion of the space shuttle will pose again the knotty problem of the long-term prospects for the manned space flight program, and the old dispute may be raised again in the United States between some scientists who maintain that the country should concentrate on development of unmanned space probes, and members of NASA who hold that the emphasis should be put on manned flight. This dispute will, in turn, affect to a certain extent the debate on and appropriations for the space exploration program in Congress. However, the latest public opinion poll conducted by U.S. NEWS AND WORLD REPORT showed that about two-thirds of Americans believed that spaceflight should be continued and they would "pay the price" for the exploration of space.

Moreover, the "Challenger" event has also had an impact on other countries, particularly on the space scheme being run by Western European countries. Some big projects, part of Japan's space exploration program, are supposed to be carried out by U.S. space shuttles. The Soviet Union is also developing its own space shuttle on the U.S. model. All these plans have now been affected to some degree.

RENMIN RIBAO ON IMPACT OF OIL PRICE DECLINE

HK130817 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 12 Feb 86 p 6

["Newsletter from America" by RENMIN RIBAO reporter Jing Xianfa: "The Impact of the Decline in World Oil Prices on the United States"]

[Text] Washington, 10 Feb -- World crude oil prices have dropped sharply from \$28 a barrel at the end of last year to around \$17 at present. The steepness of the drop and its extent have produced a great impact on economic life in the United States.

The current oil price drop has advantages and disadvantages for the United States. In recent years, annual U.S. crude oil imports have stood at 1.21 billion barrels, or one-fourth of total domestic crude consumption. According to an estimate by experts, the current decline in the prices of oil imports will make for a great reduction in production costs in the manufacturing industry. The civil air transportation industry will save one-fifth in fuel costs, with profits doubled. The auto industry, one of the three pillars of the U.S. economy, will also increase output, because of improved sales of large cars. The tourist industry at home will thrive.

But the drop in oil import prices has dealt a severe blow to some other U.S. industries. At present, the domestic oil industry bears the brunt. Since the U.S. oil industry hit its peak in 1981, it has in the past few years been on the decline. There now remain only 1,670 wells still in production throughout the country, a decrease by nearly two-thirds compared with 5 years ago. Since the beginning of this year, the average income of six large oil companies in the front rank has dropped 30 percent. Not long ago, the Houston Worldwide Maritime Corporation, with the largest deepwater well drilling fleet in the country, filed for bankruptcy, unable to pay its debts of \$1.1 billion.

Also hit are many commercial banks in the "energy belt." Of the 130-plus commercial banks that closed in the country last year, as many as one-fourth collapsed because of involvement with the oil industry. An expert in banking predicts that 1986 will be "a year of doom" for the "energy belt" and banks having to do with oil.

The sudden drop in oil prices and setback caused to the domestic oil industry have brought about wide fluctuations in the U.S. money market. On 20 January this year, when oil prices dropped below \$20 a barrel for the first time, the Dow Jones industrial average on the New York Stock Exchange dropped 27 points in 2 days, to near the historical record of 1500 set last December. Then there was again a sudden rush for cheap oil stocks in large blocks, causing the Dow Jones industrial average to pass the unprecedented high of 1600 in half a month.

The decline in the prices of oil imports has also become an important topic of talk in current U.S. political life. The U.S. Administration and well-known experts in economic circles are studying how to take advantage of the current trend toward an oil price drop on the international market. Congressmen are basically divided into two schools of thought on this. One school holds that it is at present too good an opportunity to let go. The administration should move quickly to increase taxes on imported oil. An increase of \$5 in import taxes on a barrel of crude oil means a yield of \$40 billion in 5 years, thus helping greatly to reduce the deficit.

Those congressmen opposed feel the imposition of additional import taxes on oil would naturally lead to increased production costs in the country's manufacturing and transportation industries, aggravate U.S. trade relations with oil-exporting countries, reduce the competitiveness of U.S. oil on the international market, and probably bring about a new rise in the U.S. dollar exchange rate, the upward pressure on which has just been relieved. As things now stand, congressmen from various "energy belt" states keenly advocate an increase in taxation, while those from the northeastern states, where the manufacturing industry plays a dominant role and the residents chiefly rely on fuel oil for heat, oppose an increase in the oil import tax.

President Reagan has another view on this problem. Because he has in recent years persistently opposed an increase in taxes, and is especially unlikely to go back on his word before the Democrats with a mid-term congressional election approaching, the President has up to now been unwilling to use an increase in the oil import tax to help balance the budget. He has only promised to give the matter of a tax increase "consideration in light of the whole tax reform plan." Analysts here hold that an increase in the oil import tax provides a rare opportunity to increase government revenues and reduce a swelling deficit. President Reagan is only biding his time where the problem of how to increase taxes and how to categorize such an increase is concerned.

RESPONSE TO EC TRADE REPRISAL POSSIBLE

OW190854 Beijing XINHUA in English 0754 GMT 19 Feb 86

[Text; Washington, February 18 (XINHUA) — The U.S. trade representative's office said that a European Community (EC) trade reprisal was "irresponsible" and noted the U.S. Administration may take "steps" in response to the EC reprisal, the U.S. JOURNAL OF COMMERCE reported today.

An EC spokesman said on January 28 that from February 1986 to November 1989, the community will cut its imports of U.S. fertilizer by 23 percent a year, beef suet by 20 percent and art paper by 8 percent. The EC action is in reprisal for a U.S. import quota announced in late December on European Community semi-finished steel. According to the report, a U.S. official said the administration stands by the U.S. trade representative's earlier statement that called the EC counteraction a "setback" to U.S.-EC trade relations and a "violation" of U.S.-EC steel trade accords.

NEW 'MIR' SPACE STATION LAUNCHED INTO ORBIT

OW200724 Beijing XINHUA in English 0713 GMT 20 Feb 86

[Text] Moscow, February 20 (XINHUA) -- The Soviet Union launched today a "third generation" space station, the official news agency TASS reported. The new Mir (Peace) space station will join the Salyut-7 space station which has been in orbit around the earth since April 1982, and will be manned in a later stage.

The station is equipped with "a novel docking arrangement consisting of six dock-up units," TASS said. The new station was described by general Aleksey Leonov, deputy head of the training center for Soviet cosmonauts, as "a third-generation space laboratory." He said previous Salyut stations had become too small for the kind of "large-scale production activities in outer space."

S O V I E T E C O N O M I S T U R G E S F L E X I B L E P R I C E P O L I C Y

OW162108 Beijing XINHUA in English 1906 GMT 16 Feb 86

[Text] Moscow, February 16 (XINHUA) -- A Soviet economist has criticized low food prices and housing rents in their country, and called for a flexible price policy. In an article carried in the monthly ECONOMICS AND ORGANIZATION OF INDUSTRIAL PRODUCTION in its first issue of 1986, Dr. D.M. Kazaktvich proposed immediate rises in the prices for food and housing rents. State subsidies for the two items should be cancelled so as to be used to increase wages or to help big families, he wrote.

The retail prices of bread, flour and sugar have remained unchanged for 30 years, and the prices of meat and milk are the same as 23 years ago. It is said that meat prices equal only half or one-third of the production cost at present. The government has to spend about 20 billion roubles (about 26 billion U.S. dollars) annually. Meanwhile, housing rents in the Soviet Union, which remained at the level of decades ago, are not enough even to cover one third of the cost for maintenance and management. The state subsidies for housing rents run at six billion roubles (about 7.8 billion U.S. dollars) a year.

Dr. Kazaktvich said that this price system had given rise to various defects. For instance, as bread is cheap, many people and even some state farms buy bread to feed domestic animals and poultry and then sell meat for high prices at free markets so as to make money for themselves. In addition, as workers' monthly wages have risen by 118 percent since 1962 while food prices remain low, a big proportion of their income was spent on high-grade goods, such as fashion clothes, shoes and furniture. As a result, the supply of these goods fell short of demand and they have become more and more expensive, beyond the reach of the low wage earners.

According to a draft plan for economic development for 1986-1990 and through the year 2000, the Soviet Union intends to improve the retail price system. This serves as a hint that Moscow may probably turn to a more flexible price system for food and housing rents.

RENMIN RIBAO REPORTS ON ARRESTS IN SOUTH KOREA

HK200133 Beijing RENMIN RIBAO in Chinese 17 Feb 86 p 6

[Report: "Sixteen Democrats Arrested in South Korea"]

[Text] After the South Korean democrats Kim Tai-chung and Kim Yong-sam were put under house arrest and later arrested, another 16 democrats were arrested on 14 February. These 16 democrats were arrested when they broke through the police cordon to see Kim Tai-chung, who was then under house arrest.

Since 12 February, about 1,000 antiriot police have surrounded Kim Tae-chung's residence. Kim could only view the outside through a window. Kim Tae-chung and Kim Yong-sam were put under house arrest and later arrested after they attended the "10-million-signature movement" demanding a direct presidential election on 12 February. Although the police had threatened that all those participating in the movement would be sentenced to 7 years' imprisonment, the democrats still insisted on carrying out the movement and demanded that the present electoral system, which is beneficial to Chon Tu-hwan, be changed.

RENMIN RIBAO CITES DPRK ON U.S. EXERCISES

HK200129 Beijing RENMIN RIBAO in Chinese 15 Feb 86 p 6

["Special dispatch" by correspondents Liu Zhengxue and Feng Zhiyuan: "The DPRK Calls for a Halt to the U.S.-South Korean Military Exercises"]

[Text] Pyongyang, 14 February -- Yesterday Kim Hwan, member of the Political Bureau of the KWP and secretary of the party Central Secretariat, stated here that to eliminate the danger of a war and safeguard peace on the Korean peninsula and to develop the hard-won North-South dialogue, the KWP and the DPRK Government have made all sincere efforts.

Kim Hwan once again accused the United States and the South Korean authorities of conducting joint military exercises, bringing an ever growing tension to the peninsula. He declared that the 11th Plenary Session of the 6th KWP Central Committee held from 5 to 8 February had concentrated on the discussion of some major issues concerning the state's peaceful construction.

He pointed out: This has fully demonstrated the correct stand taken by the KWP and Korean Government of really hoping for an easing of the tense situation and creating a favorable atmosphere for talks.

Kim Hwan said: Korea is an integral whole. The Korean people long to live in harmony in the land of a united country. Therefore, the United States should squarely face this aspiration and will of the Korean nation, halt its military exercises, and withdraw its troops and nuclear weapons from South Korea lock, stock, and barrel.

CGDK LEADERS REAFFIRM SIHANOUK'S POSITION

OW130845 Beijing XINHUA in English 0825 GMT 13 Feb 86

[Text] Beijing, February 13 (XINHUA) -- The Democratic Kampuchea side has reassured that Samdech Norodom Sihanouk is the president of Democratic Kampuchea and will remain in the position even after an eventual Vietnamese military pullout.

According to Radio Democratic Kampuchea today, Khieu Samphan, vice chairman of Democratic Kampuchea and chairman of the Democratic Kampuchea side, and Son Sen, vice chairman of the Democratic Kampuchea side, signed a statement yesterday which reiterated the Democratic Kampuchea side's position on the role of Samdech Norodom Sihanouk and his National United Front for an Independent, Neutral, Peaceful and Cooperative Kampuchea (Nufinpcc), formed in March 1981. The statement stressed that the Democratic Kampuchea side has taken the Nufinpcc as a political force within a great united nation working for national defense and reconstruction. It will continue to do so in the future, the statement added.

CGDK RADIO STRESSES COALITION GOVERNMENT UNITY

OW191047 Beijing XINHUA in English 0848 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- The Democratic Kampuchea side, one of the three forces forming the anti-Vietnamese Coalition Government, announced today that it will do nothing to harm the national unity in the present and future struggle against the Vietnamese occupation.

Radio Democratic Kampuchea said in an article broadcast today that the national unity of the Kampuchean people has frustrated Vietnam's seven-year-old war of genocide and annexation against Kampuchea. The tripartite Coalition Government is better coordinated and has foiled many times Hanoi's ploys to sow discord among the three forces fighting the Vietnamese troops since it was founded in 1982, the radio said. The national unity is still essential to the country's integrity and survival, it added.

REPORTERS VISIT CAMBODIAN REFUGEE CAMP

HK170520 Beijing CHINA DAILY in English 17 Feb 86 p 4

[By Zhang Zesun and Yang Yi]

[Text] Bangkok -- Rows upon rows of rickety bamboo huts, each housing four to five families, stand by the dusty road. Sun-baked, haggard men and women and skinny children meet the eye everywhere. There is no sewage, no plumbing, no electricity. "These people exist on minimum subsistence," a Thai Foreign Ministry official told a group of Beijing-based foreign diplomats, two journalists from CHINA DAILY and one from the ECONOMIST, who visited Thailand from January 28 to February 6.

This is Nong Chan Camp at Site II of Ta Phaya District of Prachin Buri Province along the Thai-Kampuchean border. Here are crowded 146,000 Kampucheans who have fled the fighting in their own country. Thirty percent of the refugees are less than 5 years old, either born in the camp or during their parents' trek to Thailand. Everywhere are men, women and children on crutches. They have stepped on land mines planted by the Vietnamese in the border area. "About 1.2 percent in Site II have lost their legs, quite a high percentage," said John Moore, a representative of the United Nations High Commissioner for Refugees (UNHCR).

The refugees' condition is made all the more wretched by the possibility that they will have no move again if fighting erupts. Though there are now only two Vietnamese divisions and one Heng Samrin division deployed on the border, other Vietnamese divisions in the rear can quickly move to the Thai-Kampuchean border, according to the Thai military.

Many of the refugees have moved seven times in three years, according to Moore. Try to imagine, Moore said, if seven times in three years you had to pick up your babies, old women and all your belongings and get moving. It is a political disaster caused by men, not a natural disaster caused by nature, Moore said.

According to Thai officials, there are about 230,000 Kampuchean inside Thailand at present. Thailand, one official said, cannot push them out to be killed or become victims of Vietnamese aggression. In addition to humanitarian reasons, Thailand has accepted these people as an obligation it owes to the world's community and, together with UNHCR and other international organizations, has tried to provide them with shelter, food, sanitation and education, the official said.

The root cause of the Kampuchean refugee problem is the invasion of the country by Vietnam, a Thai Foreign Ministry spokesman said. Even though the Vietnamese have said that they welcome negotiations for their repatriation, these people are still on the border. "We all want to return to Kampuchea, but we don't want to live under Vietnamese rule," said Ponn Yoyomy, who fled Phnom Penh in 1979 when the Vietnamese first invaded. She is now president of Khmer Women's Association in Site II.

"The Vietnamese say that details of repatriation can be decided later. But the point is that we have these people here now. I don't think they'll return to Kampuchea under the present circumstances. We have to create conditions inside Kampuchea so that these people would be willing to be repatriated," the Thai Foreign Ministry spokesman said.

The withdrawal of all Vietnamese troops and the right of self-determination of the Kampuchean people are basic to resolving the Kampuchean issue, including the refugee problem, he said. This is a basic position of the Association of Southeast Asian Nations (ASEAN).

Vietnam has agreed to withdraw, but not till 1990. "Why 1990? Why not tomorrow?" the spokesman said. By 1990, the Vietnamese hope to consolidate the Heng Samrin regime that they have installed in Phnom Penh, he said. In fact, Vietnam hopes to Vietnamize Kampuchea by then, the spokesman said. "This is what we see behind Vietnam's proposed withdrawal by 1990."

Vietnam has also agreed to self-determination by the Kampuchean people, he said. But that only means that they insist the Kampuchean people have already chosen Heng Samrin as their legitimate representative.

Thailand, on the other hand, considers that the Heng Samrin regime was installed by the Vietnamese, not freely chosen by the Khmer people, the spokesman said. "We believe that self-determination means the people should have the opportunity to exercise their rights with international supervision assuring that they can do so freely."

Turning to the need for international help, the spokesman said that if the world's nations abide by the principles of the UN Charter, they will condemn aggression against a small sovereign state and make Vietnam aware that it cannot have its way in the region. This is also the basic position of ASEAN, he observed.

Thailand has no animosity against Vietnam but is looking for peaceful co-operation in the region and a political settlement of the Kampuchea issue, Thai Deputy Prime Minister and Foreign Minister Sitthi Sawetsila said at a meeting with Beijing-based diplomats. "We have enough problems and we don't want to create any new ones," he said.

SIHANOUK ARMY COMMANDER ON CAMBODIAN DEVELOPMENTS

OW191616 Beijing XINHUA in English 1458 GMT 19 Feb 86

[Text] Hong Kong, February 19 (XINHUA) -- Prince Norodom Rannarit, supreme commander of the Sihanoukian Nationalist Army (ANS), said in Kuala Lumpur today that he was hoping for a joint committee to coordinate military plans of the forces of the factions in the Coalition Government of Democratic Kampuchea.

A report of the Malaysian news agency BERNAMA said that Rannarit arrived in Kuala Lumpur yesterday representing his father Samdech Norodom Sihanouk, president of Democratic Kampuchea. Rannarit told a press conference in Kuala Lumpur today that the ground forces of the tripartite coalition had already cemented their cooperation in a situation where their survival was uppermost in their minds. Rannarit denied that there had been any clashes between the forces of Democratic Kampuchea and the ANS, adding that in late January the two forces cooperated in an attack on a Vietnamese military base.

As for the Vietnamese in Kampuchea, Rannarit said they are only in control of main towns and certain key military positions. The Heng Samrin forces have refused to let Vietnamese military advisers be in their company and more and more of them have defected to the resistance, he added. He also disclosed that the resistance forces enjoyed support from among high-ranking officials of the Heng Samrin regime.

LAOS, U.S. BEGIN MIA SEARCH AT CRASH SITE

OW191109 Beijing XINHUA in English 0912 GMT 19 Feb 86

[Text] Hanoi, February 19 (XINHUA) -- Laos and the United States began Monday to search for the remains of the Americans missing in action (MIA) in the Vietnam war, the Lao Foreign Ministry said today. In a press release, the Foreign Ministry said the site about 140 kilometers east of Savannakhet was the place where a U.S. AC-130 Hercules gunship crashed with 14 crewmen aboard in 1972.

A team of U.S. technical experts arrived in Vientiane recently. They have discussed with their Lao counterparts details about the second joint excavation. The remains of 13 missing Americans were found late last year in the first joint undertaking at another plane crash site.

PHILIPPINE BISHOPS CONDEMN ELECTION FRAUD

OW141312 Beijing XINHUA in English 1303 GMT 14 Feb 86

[Text] Manila, February 14 (XINHUA) -- The Catholic Bishops' Conference of the Philippines (CBCP) today made a strong-worded statement condemning the "unparalleled" fraudulence and irregularities in the February 7 presidential elections. The statement was issued at a packed press conference after two days' discussions by the Catholic group.

The statement listed the irregularities and fraud including systematic disenfranchisement of voters, widespread and massive vote-buying, deliberate tampering with the election returns, intimidation, harassment, terrorism and murder. The CBCP emphasized that "according to moral principles, a government that assumes or retains power through fraudulent means has no moral basis. For such an access to power is tantamount to a forcible seizure and cannot command the allegiance of the citizenry." It said the CBCP advocates non-violent struggle for justice -- active resistance of evil by peaceful means to right the wrongs. CBCP called on the people to come together and act together to ensure the truth to prevail and the will of the people to be fully respected.

I. 20 Feb 86

E 4

PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

This is the first official statement issued by the influential bishops' group after the February 7 elections. The CBCP position may have notable impact on the current political situation of the country, observers here said.

RADIO BEIJING REPORTS MARCOS' CBS INTERVIEW

HK190355 Beijing International Service in Tagalog 1130 GMT 18 Feb 86

[Text] In an interview with the Columbia Broadcasting System of the United States on 16 February, Philippine President Ferdinand Marcos said that he will seek renegotiation of U.S. use of military bases if the American Government cancels aid to his country. He claimed that the United States owes the Philippines some \$70 million for its use of the Clark and Subic Bay bases, the largest military installations outside the United States, thus there is urgent need for renegotiation over the bases.

Meanwhile, President Marcos met with President Reagan's special envoy Philip Habib to discuss post-election problems. Sources said that Habib will make a report to Reagan after his return to the United States in order for the United States to formulate policy options towards the Philippines.

Habib also met with opposition leader Corazon Aquino and her running mate Salvador Laurel. Habib arrived in Manila on 15 February, shortly before the Batasan Pambansa proclaimed the winners of the recent elections.

MARCOS RAPS FOREIGN INTERVENTION IN PHILIPPINES

OW191856 Beijing XINHUA in English 1837 GMT 19 Feb 86

[Text] Manila, February 19 (XINHUA) -- President Ferdinand Marcos has shown irritation at apparent foreign intervention in the Philippine internal affairs, according to a report of the PHILIPPINE NEWS AGENCY. In his talks with newsmen at the presidential palace here today, Marcos said he had authorized Acting Foreign Minister Pacifico Castro to clarify with other governments the position of the Philippines on foreign observers.

"We will encourage observers to come and see what is happening inside our country but we take a strong stand against intervention in the internal affairs of our people," he said. "There is a limit in allowing even friends and allies to degrade and demean institutions like the National Assembly and the presidency of the Philippines," he added. Marcos said the activities of the National Assembly, the power of the assembly to proclaim the president, as well as various policies of the government in relation to enforcement of the laws and in the maintenance of peace and order are all internal affairs of the Philippines.

ZHU QIZHEN ATTENDS POLITICAL TALKS IN AUSTRALIA

OW191609 Beijing XINHUA in English 1452 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- Chinese Vice-Minister of Foreign Affairs Zhu Qizhen and his party left here this evening for Australia to attend the fourth round of political talks between officials of Chinese and Australian foreign ministries.

XINHUA 'FEATURE' ON BULGARIAN WORKERS IN USSR

OW151050 Beijing XINHUA in English 0904 GMT 15 Feb 86

["Feature: Bulgarian At Work in Soviet Forests -- (by Sun Weixi and Wang Jinbai)" -- XINHUA headline]

[Text] Sofia, February 15 (XINHUA) -- For ordinary Bulgarians, the temptation is not small: a monthly salary of 800 rubles (about 1,000 U.S. dollars) plus considerable bonuses and a few hundred leva (one lev equals one dollar) paid at home. For this one has only to go to the Soviet Union and cut trees.

In the past 17 years since Bulgaria agreed to help the labor-short Soviet Union develop its timber industry, more than 70,000 Bulgarian workers have been to that forest-rich country, mainly to Komi, an autonomous Soviet republic, about 1,000 kilometers northeast of Moscow. The felling of Soviet forests by Bulgarians also has proved beneficial for the Bulgarian Government as it has already obtained millions of cubic meters of timber from its partner. In 1984 alone, Komi timber met 57.4 percent of Bulgaria's total needs. To facilitate the joint efforts, the two governments have launched a joint venture -- a lumber corporation in Komi in addition to three modern villages for lumberjacks, which are dotted with department stores, schools, nurseries, cinemas and coffee shops for the 12,000 Bulgarians currently working in the region.

Komi, an administrative division of the Soviet Union in the Russian Republic, has an area of 415,900 square kilometers covered by tundra in the north and coniferous forests in the south. The region's harsh subarctic climate restricts agriculture, its economic activity is limited to mining and forest industries. A major labor-shortage has precluded the Soviet Union from tapping the region's natural resources on a large scale.

To attract more workers to Komi, their monthly salaries have, in recent years, been raised from 200 rubles (about 250 dollars) up to 800 plus a bonus system and extra pay at home. Some of the migrant workers can earn as much as 1,000 rubles (about 1,200 dollars), a real incentive for Bulgarians who at home would earn an average monthly income of 202 dollars, according to 1983 statistics. Bulgarian lumber workers may spend their money in the Soviet Union to buy cars and other consumer goods not available in Bulgaria. The Soviet Union has allotted the Bulgarians some 22,600 square kilometers of forest with an estimated volume of 226 million cubic meters of timber. At the present speed of development, the cutting may well last 50 years.

'ROUND-UP' ASSESSES HUNGARIAN TRADE FOR 1981-85

OW151324 Beijing XINHUA in English 1307 GMT 15 Feb 86

["Round-up: Favorable Balance Attained for Hungary's Trade -- (by Zhou Dongyao and Li Shuhua)" -- XINHUA headline]

[Text] Budapest, February 15 (XINHUA) -- Hungary, whose economy relies heavily on foreign trade, recorded a surplus in its trade with both the Eastern bloc and other trading partners from 1981 to 1985 though this was achieved at the expense of national income and industrial production which might impede a faster economic growth.

As a country which yields more than half of its national income by way of trade, Hungary suffered a massive trade deficit with countries outside the Eastern bloc which ran as high as 50 billion forints (about one billion U.S. dollars) during the 1976-1980 period. Huge foreign debts were incurred, accumulating to billions of U.S. dollars, as oil prices soared, raw materials became more expensive and the country had to import more from the West than to export. To reverse this adverse situation, which was a major task set for the Sixth Five-Year Plan period (1981-1985), Hungary adopted drastic measures, including setting ceilings on imports, increasing exports, enhancing the competitiveness of its products and seeking new markets.

According to figures published by the country's statistics office earlier this month, compared with 1980, exports in 1985 rose by 27 percent while imports increased by six percent. Hungary has enjoyed a foreign trade surplus in all the years beginning 1982, and in the following year, it began to pay its debts. By the end of 1985, it ran a trade surplus of 255 million rubles with Eastern bloc countries and 2.2 billion U.S. dollars with other countries, achieving a significant improvement in its foreign trade. All this has earned Hungary growing credibility, making it possible to have its short-term credit at a high interest rate rescheduled to a long-term credit at a lower interest rate.

The country's industrial sector has played its due part in balancing the foreign trade by restructuring production, improving management and dividing big enterprises into smaller ones so as to make them more efficient. As a result, higher productivity has been gained with per capita output value in 1985 registering an 18 percent increase over 1980.

Hungary's agriculture, which has long enjoyed the best performance record among the Eastern bloc countries, has also contributed to the improvement in the country's foreign trade balance. The total value of production in 1981-1985 chalked up a 12 percent rise over the previous five years and now a quarter of the country's farm produce are for export.

However, Hungary has paid dearly for these accomplishments. During the 1981-1985 period, its citizens were asked to settle for their existing living standards and domestic consumption declined. Investments were lower than five years ago, including those for upgrading badly-needed technologies and scientific research. Consequently, the country's national income was up seven percent from 1980 while the plan had envisaged a 14 to 17 percent growth and industrial output went up only by 12 percent, falling short of the planned target of a 19 to 22 percent increase.

The policy of setting import quotas and restricting domestic development to boost trade only serves as stopgap measures and will cause continued lagging in technology and further impair the competitiveness of products. Hungarian economists are fully aware of the situation. The current (Seventh) Five-Year Plan (1986-1990) gives priority to attaining better economic results which will be the best way to obtaining a bigger trade surplus and a faster economic development. Nevertheless, analysts here believe that correct policies and the people's response remain the key to achieving Hungary's goals though the international economic situation has become more favorable for the country than in the mid and late 1970s.

FOREIGN MINISTRY OFFICIAL MEETS IRANIAN MINISTER

OW200134 Beijing XINHUA in English 0127 GMT 20 Feb 86

[Text] Tehran, February 19 (XINHUA) -- Iranian Foreign Minister 'Ali Akbar Velayati met with visiting Advisor of the Chinese Foreign Ministry Gong Dafei here today and they discussed issues of common concern as well as bilateral relations between the two countries. Gong Dafei, who arrived here yesterday at the invitation of Iranian Deputy Foreign Minister Hoseyn Sheykh ol-Eslam, held the first round of talks with him earlier today.

MAURITANIA'S TAYA LEAVES NOUAKCHOTT FOR BEIJING

OW191704 Beijing XINHUA in English 1651 GMT 19 Feb 86

[Text] Nouakchott, February 19 (XINHUA) -- Mauritanian head of state Maayouyia Ould Sid Ahmed Taya left here today for Beijing on a six-day official visit to China at the invitation of Chinese President Li Xiannian. This is Taya's first visit to China since he took power in December 1984. He is expected to discuss current international issues and ways to strengthen bilateral relations during his meetings with Chinese leaders.

MURPHY CITED ON U.S. POSITION ON PALESTINIANS

OW191901 Beijing XINHUA in English 1850 GMT 19 Feb 86

[Text] Cairo, February 19 (XINHUA) -- U.S. Assistant Secretary of State for Middle East Affairs Richard Murphy made it clear today that the U.S. will not recognize the Palestinian people's right to self-determination before the PLO recognized the U.N. Security Council Resolutions 242 and 338, which implies recognition of Israel.

He was quoted by the QATAR NEWS AGENCY as saying in a telephone interview that if Washington acquiesced in the PLO leaders' demand for recognizing the right of Palestinian people to self-determination, it would be tantamount to U.S. agreement to an independent Palestinian state. Such an option was not acceptable to Washington which seeks Palestinian self-rule on the West Bank and Gaza Strip in a confederation with Jordan, he said. Washington still insists that the PLO should recognize U.N. Security Council Resolutions 242 and 338, renounce violence and accept the principle of negotiating with Israel, he said.

PLO Chairman Yasir 'Arafat has repeatedly declared in his recent talks with Jordanian leaders in Amman and Egyptian leaders in Cairo that the PLO cannot recognize the U.N. resolutions which implies recognition of Israel's right to exist unless the U.S. recognize the Palestinian people's right to self-determination.

U.S.-LIBYAN ENCOUNTERS OFF COAST REPORTED

OW151248 Beijing XINHUA in English 1232 GMT 15 Feb 86

[Text] Cairo, February 15 (XINHUA) -- American and Libyan warplanes have confronted each other off the Libyan coast in an average of 35 times a day since the beginning of U.S. military maneuvers in the area on February 11, according to Cairo newspaper reporters today quoting U.S. Defence Department sources. The sources said that the Libyan fighter planes did not show any hostility towards U.S. planes so far. The Libyan warplanes and naval units started their military exercises off Libyan coast with live ammunitions after the U.S. announced its aircraft carriers, the Coral Sea and the Saratoga, would carry out flight operation off the Libyan coast. The area where the Libyan and U.S. military exercises are made simultaneously is within the Tripoli flight information region outside the Gulf of Sidra. Radio Tripoli reported the military exercises of the two countries in separate stories and made no mention of the encounters of the warplanes of the two sides.

TRADE UNION DELEGATION LEAVES FOR MEXICO

OW191058 Beijing XINHUA in English 1052 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- A Chinese trade unions delegation led by Luo Gan, vice-president of the All-China Federation of Trade Unions, left here for Mexico by air today. At the invitation of the Confederation of Trade Unions of Mexico, the delegation will attend the confederation's 11th national congress and the celebrations for the 50th anniversary of the birth of the confederation in Mexico City. After that, the delegation will tour Colombia and Venezuela.

BEIJING RECEPTION MARKS MEXICAN ARMY DAY

OW191604 Beijing XINHUA in English 1442 GMT 19 Feb 86

[Text] Beijing, February 19 (XINHUA) -- Luis Montiel Lopez, military and air attache of the Mexican Embassy in Beijing, and his wife gave a reception here this evening in celebration of Mexican Army day. Among those attending the reception was Han Huaizhi, deputy chief of the General Staff of the Chinese People's Liberation Army.

CANADA RELAXES CONTROLS ON EXPORTS TO PRC

OW151056 Beijing XINHUA in English 0911 GMT 15 Feb 86

[Text] Ottawa, February 14 (XINHUA) -- External Affairs Secretary Joe Clark announced today that Canada had joined with its NATO allies and Japan in relaxing export controls on certain strategic goods to the People's Republic of China. These controls, based on the export and import permits act, are aimed at civilian strategic equipment and other high technology goods. Since 1979, the Paris-based coordinating committee, whose mandate is to coordinate the export control programs of its members as they relate to strategic and military goods, has followed a policy of increasing its favourable consideration of requests for exports of strategic goods to China. Recently there has been a dramatic increase in China permit applications.

Clark noted that many of the priority areas in China's development strategy coincide with strong capabilities in Canadian industry, particularly in such fields as agriculture, forestry, hydro, natural resources development and telecommunications. This initiative to ease export controls to China complements the renewal of the trade agreement between Canada and China announced on July 16, 1985 by International Trade Minister James Killeher. Following consultations with China in Beijing last December, Canada now approves exports of certain types of machine tools, semi-conductors, test equipment, lasers, computers and telephone exchanges, totalling more than twenty categories of strategic goods.

CHINA DAILY COMMENTATOR ON EVENTS IN HAITI

HK200339 Beijing CHINA DAILY in English 20 Feb 86 p 4

[Article by CHINA DAILY Commentator: "Haiti's Events"]

[Text] Recent dramatic developments in the Caribbean island country of Haiti have drawn of social justice and progress is relieved by the fall of the Duvalier regime and the transition now under way in Haiti.

Haiti was the first black nation in the world to win independence. Yet, after 28 years of the harsh and corrupt rule of the Duvaliers -- father and son -- Haiti is the poorest country in the Western Hemisphere, with a sharp and wide gap between the haves and have-nots.

The per capita annual income of more than 80 percent of the population is \$100, while fewer than one percent rake in about half the total national income. Nine out of every 10 persons are illiterate. More than 100 out of every 1,000 children die before their first birthday. Three-fourths of the labour force are unemployed or partly employed.

At the top of the ladder, the Duvalier family and their cronies lived in incredibly luxurious and profligate life. Their corruption was so far-reaching that they even appropriated Haiti's international credits to line their own pockets. Great have been the grievances of those in what and long has the whole country been in a state of ferment.

In the face of public discontent and protest, the Duvaliers consistently resorted to terror to muzzle the people. Their most notorious tool was the shadowy and ubiquitous Tontons Macoutes secret police force that unscrupulously used beatings, torture and murder to throw fear into the people and keep them under control. But terror is a double-edged sword. If it intimidates the people it antagonizes them too. When they can no longer contain their wrath, those who wield the weapon of terror must pay the price. Last summer's national referendum to confirm the life-time presidency of Duvalier was a fraud and a farce that further angered the people. It led to demonstrations in the northwestern coastal city of Gonaives. Brutal killings by the police only poured oil on the fire and in no time angry protest swept the nation. Workers went on strike, businessmen closed their stores and students suspended classes. The people, rising to assert their basic rights, soon brought Duvalier to bay. He had no choice but to pack up and flee the country that he had tyrannized for 15 years.

It is worth mentioning that Duvalier is having a hard time to find a country that will grant him asylum. This shows how the people in the world detest a dictator like him.

The Duvalier era is over for the Haitians. A military-civilian national council has been formed to take the reins of government temporarily. In the first week after its establishment, it announced that it had freed all political prisoners and would disband the Tontons Macoutes and dissolve the Duvalier rigged 1984 parliament. As an interim leadership, the council also pledged to hold elections and turn over power to an elected government.

Haitians hail the end of the Duvalier dynasty as the country's second independence. It is legitimate for them to demand that the nation be ruled by new, honest, competent and patriotic people. And it follows that they want their liberation to be total and definitive.

XINHUA ASSESSES PRESIDENT REAGAN'S GRENADA VISIT

OW191655 Beijing XINHUA in English 1635 GMT 19 Feb 86

["Background: Reagan's Visit Amid Growing U.S. Interest in Caribbean" -- XINHUA headline]

[Text] St Georges, Grenada, February 19 (XINHUA) -- U.S. President Ronald Reagan will arrive here tomorrow for a four-hour visit. High on the agenda is his scheduled meeting with nine Caribbean Community (Caricom) leaders to discuss regional, economic and security matters. The trip is the first ever by an American president to Grenada and Reagan's second to the Caribbean. He toured Jamaica and Barbados in 1982, two years after he assumed the U.S. presidency.

Reagan's visit comes 28 months after the U.S.-led invasion of Grenada in October 1983 which toppled the People's Revolutionary Government of Prime Minister Maurice Bishop. The invasion took place under the pretext that Grenada's Point Salines International Airport, then under construction with Cuban aid, would be used as a military airport by Cuba and the Soviet Union.

The U.S. invasion resulted in a year-long interim administration backed by U.S. and Caribbean "peace-keeping forces" until Herbert Blaize's new National Party came to power after the December 1984 general elections. Most of the remaining U.S. military personnel were withdrawn in mid-1985 and all foreign troops pulled out of Grenada last September.

On Thursday President Reagan will attend a ceremony here in memory of 19 U.S. soldiers killed during the invasion. The invasion was regarded as a "military triumph" by the Reagan administration which has since strengthened its influence in the Caribbean, while bearing in mind the region's strategic and economic importance. U.S. officials acknowledge the fact that two-thirds of U.S. oil imports and many other strategic minerals shipped to the United States pass through the Panama Canal, the Caribbean and the Gulf of Mexico. U.S. Gulf ports and Caribbean shipping lanes handle almost half of U.S. foreign trade shipping tonnage.

Before the invasion of Grenada, the U.S. had a small program of military assistance geared to Caribbean island nations. After the invasion, it implemented an extensive military training and aid program in the eastern Caribbean, accompanied by the transfer of arms and equipment including submachine guns, telecommunications systems and deepwater coast guard vessels, according to a U.S. research institution. U.S. diplomats put U.S. military assistance to the eastern Caribbean for the past two years at about 35 million U.S. dollars, and U.S. aid to Grenada has totalled 72 million dollars since the invasion. However, countries in the region have called for more U.S. economic commitment and less military involvement in the Caribbean.

The English-speaking Caribbean, hard hit by sluggish world demand for its sugar, bauxite and other products, has been experiencing severe economic difficulties. St. Kitts and Nevis' Prime Minister Kennedy Simmonds has said the Grenada meeting with Reagan should focus on economic and trade issues. The exclusion of Caribbean textiles from the duty-free import list of the U.S.-sponsored Caribbean Basin Initiative and the cut in quotas of Caribbean sugar exports to the United States are typical complaints from the region. Some political analysts see Reagan's visit as a merely symbolic gesture to show continuing U.S. interest in the region, others predict that he will bring news of a slight easing of U.S. protectionist measures in a move to reduce the region's economic dissatisfaction.

SATELLITE LINKS BEIJING WITH ANTARCTIC STATION

OW141414 Beijing XINHUA in English 1320 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- A telecommunications link via satellite between Beijing and the Chinese "Great Wall" research station on King George Island in Antarctica went into operation Thursday morning. Callers from both ends could be heard clearly, said an official from the Chinese National Committee for Antarctic Research.

The committee and the Ministry of Posts and Telecommunications jointly sent a message of congratulations from here to the Chinese scientists at the other end. Previously, communications between Beijing and the station were conducted via shortwave radio.

REFORM PROSPECTS FOR YEAR OF TIGER EXAMINED

HK190509 Beijing LIAOWANG in Chinese No 5, 3 Feb 86 p 4

[Commentator's article: "Outlook For the Year of the Tiger"]

[Text] The year 1986, the first year of China's Seventh 5-Year Plan, happens to be "the Year of the Tiger" according to Chinese lunar calendar. It is said that a tiger is full of vigor; therefore, it is indeed a good omen.

The following are lines from Zhang Lei, a poet of the Song Dynasty: "White grass bends low when the fierce north wind blows. Is a tiger not going to move quickly when it stares!" These lines give a vivid description of the vigor and ferocity of a tiger. It is to some extent like the image of today's China, which is focusing on one goal and accumulating strength to carry out the struggle.

By focusing on one goal, we mean that millions of Chinese people are striving for the four modernizations with one heart and one mind and are determined to make their country and nation rank among the advanced countries of the world. By accumulating strength to carry out the struggle, we mean that in a short period of 7 years, our country has already made vigorous and quick progress, but the great latent energy in our nation is far from being entirely released. Precisely because of this, China, which is still poor and backward in many spheres, is regarded in the contemporary world as a country with great vitality, hope, and boundless prospects. Many politicians, economists, scientists, and even military scientists are assessing with their respective yardsticks, which sometimes conflict with one another, and forecasting the probable features of China and China's influence on the development of world history 10 or 20 years from now.

In the Year of the Tiger, when China reviews its past development, it sees that it has forged ahead at a steady, quick pace and when it forecasts the future, it will continue to forge ahead at a vigorous, quick pace.

We can forecast that in 1986, China will achieve clear and sustained progress in two spheres. In other words, it will score magnificent achievements in both economic structural reform and the construction of socialist spiritual civilization. The CPC Central Committee has already set the task that, in carrying out the economic structural reform in the new year, we should make great efforts to consolidate, digest, replenish, and improve the reform measures we have already taken. If we say that in the past 2 years, China took "a brave step" in carrying out its reform, then now it is taking a steady and deepening step. Some people have misunderstood and think that "we will mark time this year." No, that is not true. Digesting, improving, and replenishing also means forging ahead. Some people say that this year, we can "relax for a while." No, we cannot. There is a great deal of painstaking and arduous work to do in straightening various relations and giving play to the due economic results of our reform measures. Moreover, we should accumulate strength, make prudent investigations, and prepare for the next step of reform. Some people are excessively suspicious and ask: Do we stop the reform because of the emergence of some problems? Over the past few years, China's industry, agriculture, and economy have developed vigorously, its national strength has grown, and its people are full of heroism and courage. All this indisputably proves that the CPC Central Committee's policy decisions on the reform are correct, the reform measures are appropriate, and the results of the reform are substantial. We should proceed with our reform steadfastly with firm confidence, and we should continue to perfect and develop the reform in the process of our work. Except for the reform, there is no other way for us to reinvigorate China. Problems and shortcomings will always emerge, but we need only to correct them and improve, replenish, and perfect our reform. Now, the reform we are carrying out is like a tree that has luxurious branches, leaves, and thousands of young buds. It needs care such as pruning, application of fertilizer and pesticide, loosening of soil, and prevention of diseases.

We should never neglect these aspects of our work. If we do the work well, we will create a situation of great achievement and prosperity!

While grasping the reform and construction, we should also grasp the construction of our socialist spiritual civilization. Simultaneously grasping and pushing forward the socialist material and spiritual civilizations is a strategic principle that the CPC Central Committee has already clearly adopted. It is a major issue vital to the prosperity and success of socialism. The CPC Central Committee has decided that in 1986, in the sphere of the construction of our socialist spiritual civilization, we should grasp four aspects of our work. They are: To grasp education in the situation and our policies, to grasp the rectification of party style, to grasp correcting the guiding thought in our ideological, cultural, and theoretical circles, and to grasp government and legal work. As Comrade Hu Yaobang said well: Under the circumstances of having a correct line, a definite blueprint, and a series of fine conditions, a vital issue is that we should continue to inspire the revolutionary spirit of the vast number of party members and cadres and the millions of masses of people.

In January 1986, the CPC Central Committee Secretariat held a meeting of the cadres of the committee organs and called on all party members and cadres in the organs to set examples in putting party style right for the whole country. This is a meeting of great significance, and it sounded the bugle for the march in building socialist spiritual civilization in 1986. The spirit of the speeches of central leaders at that meeting have roused a strong response from all party members and the people of all nationalities throughout our country. The work of putting party style right in the central organs has been carried out soundly according to the arrangements of the CPC Central Committee. We can expect that the change in the central organs' work style will certainly affect the whole party and country and the entire Chinese nation.

The Year of the Tiger has already begun. The vast land of China is filled with vitality and there is a vigorous trend of development and progress. The deepening of the economic structural reform will continue to remove fetters and obstacles to the development of our productive forces. The construction of spiritual civilization will clear away rotten and backward things and rouse the Chinese nation's revolutionary spirit. Once we have removed the fetters of the old system and thoughts, the tremendous latent energy in our people will break through all difficulties and barriers with the momentum of an avalanche and raise even higher the new situation of socialist construction we have already created.

We can expect such prospects. However, we must make arduous and sustained efforts. If we unite as one in carrying out the struggle soundly and persist in doing so, we will bring about a magnificent future.

XINHUA COMMENTATOR ENCOURAGES INCREASED SAVINGS

OW191305 Beijing XINHUA Domestic Service in Chinese 0151 GMT 19 Feb 86

[XINHUA Commentator's article: "It Is Necessary To Greatly Increase Saving Deposits"]

[Text] Beijing, 19 Feb (XINHUA) -- Vigorously increasing savings deposits and expanding sources for credit funds is an important task for the Seventh 5-Year Plan period. As far as this year's situation is concerned, that general demand has outstripped general supply in our economy remains a contradiction meriting our full attention. To increase savings deposits and readjust supply and demand is of particular significance in offsetting this contradiction. Pondering this year's reforms, Comrade Zhao Ziyang recently called for efforts to increase deposits and expand sources for funds.

It is quite possible that many of our comrades do not realize that savings deposits greatly affect production and construction. It is reported that new deposits in China reached 40.7 billion yuan during 1985. This figure is equivalent to 25 percent of China's total amount of investment in fixed assets in state-owned units in 1985. From this we see that the amount of savings deposits will play an important role in developing China's economy during the Seventh 5-Year Plan period.

Increasing savings deposits is a goal of the masses. People in China are enthusiastic about saving money. As of the end of 1985, China's per capita saving was over 160 yuan. By saving money, people spend money more reasonably and live more comfortably. At the same time, savings deposits turn some money in the hands of the people into accumulated funds. On the one hand, this will reduce the pressure exerted by people's purchasing power on the market and help the withdrawal of currency from circulation. On the other hand, it will solve the problem of insufficient state funds for production and construction. Meanwhile, the results in the development of production will, in turn, increase the income of the people. Increased savings will benefit the country and the people.

Right now, the total sum of urban and rural savings deposits amounted to over 160 billion yuan. However, the potential in increasing these deposits remains great. According to statistics, the average annual income of China's workers registered a net increase of 209 yuan during the Sixth 5-Year Plan period. From now on, the income of the masses will continue to rise in the course of developing production. All of this indicates that urban and rural people's capabilities to save more money will continue to increase, and China's savings deposits will continue to rise.

Improving services of various banks is an important move in increasing savings deposits. For example, various measures to attract more deposits, such as increasing the number of tellers, designing different types of accounts, setting up savings agencies, and simplifying the procedure of making deposits have been listed as important items on the daily agenda of various banks. It is our hope that banks will be able to keep pace with the developing situation as soon as possible, and make new contributions to providing more funds for the development of the socialist modernization program.

PLA PARTY STYLE TO BE EXAMINED, RECTIFIED

HK181000 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 6-7, 10 Feb 86 p 7

[Article by Gai Yuman and Xiong Zhengyan: "Responsible Official of the Discipline Inspection Commission Under the Central Military Commission Talks About Rectification of Party Style"]

[Text] The Central Military Commission has decided that the Army should take the lead in party rectification and strive to realize a basic turn for the better in the Army's party style. Will the plan of the Central Military Commission come true? How are the PLA units to take action? We visited the Discipline Inspection Commission under the Central Military Commission with these questions.

Guo Linxiang, secretary of the Discipline Inspection Commission under the Central Military Commission, and deputy secretaries of the commission Zhang Boxiang and Yan Jinsheng told these reporters that the central authorities have issued the call to rectify party style. After repeated study, the Central Military Commission holds that the Army has the foundation and conditions to realize this important task proposed by the Central Committee. Yang Shangkun, vice chairman of the Central Military Commission, expressed the determination of the Army to the whole party and whole country at the conference for cadres of central level organs called by the CPC Secretariat.

According to Guo Xianglin, in any undertaking it is first necessary to have confidence. In a battle, it is impossible to win without confidence. Likewise, we must be confident of achieving a basic change in the Army's party style. In recent years, through the joint efforts of party committees, political departments, and discipline inspection commissions at various levels of the Army, the Army's party style has markedly changed for the better. This has provided a definite boost for fulfilling all tasks on the part of the Army, in the war of defense against Vietnam and in streamlining and reorganization in particular. Those units taking part in the war of defense against Vietnam have obeyed orders, fought heroically, and boosted the power and prestige of the Army and the nation. The Army structural reform, streamlining, and reorganization work which began in 1985 have been smooth despite the fact that they involve a wide scope and are complex and arduous. We should say that the Army's party style has been tested in the practice of war and in streamlining and reorganization, and its general condition is good.

The responsible persons of the Discipline Inspection Commission under the Central Military Commission briefed the reporters on many examples of the Army rectification of party style in the streamlining and reorganization.

In the course of streamlining and reorganization, some units were to be demobilized, others merged, and still others streamlined by a large margin. The cadres and soldiers have conscientiously responded to the party's call, subjected themselves to the whole situation of national economic construction, and correctly dealt with their own personal problems. They have been demobilized, merged, or demoted as the situation required, showing a high political consciousness and a very strong party spirit. The first stage of reorganization is now complete. A large number of leading cadres have left their posts and willingly become "enlightened personalities," warmly supporting the work of the new leading bodies. It is very difficult to imagine a reorganization on such a wide scope without good party spirit.

Here is an example of an army unit belonging to those units to be demobilized: Even before the work of demobilization was unfolded, the members of the army party committee set up rules among themselves: No favors would be done for those who might ask; no business involving unhealthy tendencies should be conducted; and no one should go against principle by playing the part of the "kindhearted man." Not only did they have a correct attitude toward their own future, but they also held fast to their posts in their best spiritual state and continued to do a first-rate job. Following their example, none of the cadres of the Army organs left their posts without sanction before they were transferred, demobilized, or retired, or while waiting for a work appointment. The army units maintained their steadfastness even when some units were to be demobilized, and the work went smoothly. Had it not been for an established good party style, could they have behaved so well at a crucial moment? Some shortcomings are unavoidable when the Army is undergoing structural reform, streamlining, and reorganization on such a broad scale. But the question is how to deal with those shortcomings that have already emerged. The leadership of the Discipline Inspection Commission under the Central Military Commission holds that this is also a severe test for party style.

The party committee of a provincial military command did a rush job in promoting a number of cadres before streamlining and reorganization. Later, the problem was laid bare; however, the leadership of the provincial military command did not make any efforts to correct the malpractice. They proposed that the party committee make an examination but not withdraw the promotion orders which had already been issued. The party committee and discipline inspection commission of the military region did not tolerate these unhealthy tendencies, and they stuck to principles, insisting that the provincial military command withdraw their promotions of 81 cadres which did not conform with the regulations.

Guo Xianglin picked up a telegram just sent to him by the political commissar of the military region concerned. The political commissar in question investigated and researched grass-roots units recently and discovered one of the units had secretly divided up public funds. The political commissar solemnly investigated and handled the case, and rapidly had all the divided funds recollected, and the responsibility of the leading cadres concerned was determined.

Reviewing practices over the past year, the leadership of the Discipline Inspection Commission under the Central Military Commission holds that it is difficult but at the same time not difficult to realize a basic turn for the better in party style. It is difficult because problems in party style do exist, and in some places and some units the problems are rather serious and there is a certain resistance over their solution. There are two reasons for saying it was not difficult: First, the leading organs and leading cadres should take the lead; and second, party committees, political organs, and discipline inspection commissions at all levels should work with concerted efforts and be bold in grasping problems and genuinely assuming responsibility. So long as these two points are accomplished, good results will be scored in rectifying party style. The Army's practice in grasping party style in the course of streamlining and reorganization has fully proven this.

On the question of how to realize a basic turn for the better in the Army's party style, Guo Xianglin, secretary of the Discipline Inspection Commission under the Central Military Commission, and deputy secretaries Zhang Boxiang and Yan Jinsheng said it is necessary for us to see that the army's party style is good on the whole; however, existing problems should not be neglected. Based on the planning of the Central Committee, the Central Military Commission has decided to earnestly study and implement the spirit of the joint circular of the General Office of the CPC Central Committee and the General Office of the State Council, and to solve the serious unhealthy tendencies in six ways as pointed out in the circular in a down-to-earth way, regarding these as a breakthrough for realizing a basic turn for the better in the army's party style. As soon as the National Conference of Party Delegates concluded, the party committee of the General Political Department and the Discipline Inspection Commission under the Central Military Commission jointly held a meeting to study and to make plans for the work of rectifying the party style of leading organs of Army units stationed in Beijing. The Army should take the lead in rectifying party style, especially the three FIA General Departments and the leading organs of various major units stationed in Beijing. The present situation is that the whole Army is looking to Beijing, while Beijing is looking to the three General Departments.

The secretaries of the Discipline Inspection Commission under the Central Military Commission say that the Army has always had a fine tradition of fearing no difficulties and being unwilling to lag behind. So long as they have made up their minds, they are sure to achieve their goal. The Army is comparatively content and unified and has a strong sense of organization and discipline. It has superior conditions for rectifying party spirit. In order to strive for the realization of a basic turn for the better in the Army's party style in 1986, it is imperative for us to do our work meticulously in depth based on the principle of "first, persistence; second, perseverance" and the spirit of "less empty talk, but more practical work." At present, the three General Departments, leading organs, and leading cadres of various major units are taking action. They are making strict comparisons and examinations based on the joint circular of the General Offices of the Central Committee and the State Council. They will handle whatever cases are uncovered based on the principle that everybody is equal before party discipline, and those cases will be investigated no matter what the level of organization and no matter the level of the cadre involved, without sparing anyone's sensibilities. The determination of the Central Military Commission will certainly become the pattern in the whole Army.

ZHAO ZIYANG, HU QILI, TIAN JIYUN INSPECT HAINAN

OW192332 Beijing XINHUA Domestic Service in Chinese 0904 GMT 19 Feb 86

[Text] Guangzhou, 19 Feb (XINHUA) -- During a recent inspection tour of Hainan Dao, Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun called on local cadres and people to revitalize their spirit in persistently carrying out the policies of opening up to the outside world and invigorating the economy, and make good use of this treasure island's resources to do a solid job of development and construction in Hainan Dao.

From 5 through 14 February, Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun visited two cities and eight counties in Hainan Dao, inspecting local factories, farms, air and sea ports, nature reserves, tourist facilities, and areas inhabited by minority nationalities. They also visited with PLA units stationed on the island and with ordinary families, and discussed, together with the cadres and people, principles and policies for the development of the island, and solved problems on the spot.

Noting prosperity in the cities and towns they had visited, comrades Zhao Ziyang, Hu Qili, and Tian Jiyun pointed out with delight that, since the 3d Plenary Session of the 11th CPC Central Committee was convened, especially since it made the decision to adopt special policies and flexible measures in Hainan Dao, construction has advanced by leaps and bounds throughout the island. Remarkable achievements have been made in construction in the island, and the people's livelihood has also been markedly improved. Facts have proven that the policies of opening up to the outside world and invigorating the economy have enabled the island to bring into full play its unique superiority, thus speeding the pace of construction. They also pointed out that the incident of reselling motor vehicles for profit in Hainan Dao in 1984 has, to a certain extent, affected smooth construction in the island and created a number of problems. However, as long as island leaders at all levels earnestly analyze the experience and correctly draw a lesson from the incident, they will be able to "make a fall into the pit turn into a gain in the wit" and transform a negative factor into a positive, thereby enabling development and construction in Hainan Dao to advance along a healthy road in the course of continuing the policies of opening up to the outside world and invigorating the economy. It would be groundless and erroneous to doubt the correctness of the policies and lose confidence in the development of the island because of the motor vehicle resale incident. Leaders and cadres at all levels in Hainan Dao should revitalize their spirit, and persistently carry out the policies of opening up to the outside world and invigorating the economy, and reforming in order to do a better and more solid job.

Touching on the principles of development and construction in Hainan Dao, Zhao Ziyang and the other comrades pointed out: It is necessary to proceed from the actual situation on the island and bring into full play its advantages, making the best possible use of favorable conditions and avoiding the unfavorable in order to speed the pace of development. It is necessary to formulate strategy and principles for developing Hainan Dao on the basis of its two special characteristics: that it is an island and conveniently located for establishing contacts with foreign countries, and that it has a tropical climate and rich products and resources. The policies of opening up to the outside world and invigorating the economy, which have created favorable conditions for making the most of the island's advantages, will be continued and will not change. In formulating principles for production, it is necessary to attach importance to, and concentrate on, the growing and processing of tropical crops, as well as livestock breeding, agriculture, tourism, and, in places where conditions permit, mining. Stressing the importance of promoting tourism, Zhao Ziyang and other comrades said: Promoting tourism should not be regarded as merely building hotels and cultural and recreational facilities, but as developing a major industry and carrying out a construction project which can spur the development of other industries and stimulate economic prosperity. The island enjoys great potential for developing tourism, which should be tapped in an active and orderly manner. It should be built into a tropical tourist delight.

Zhao Ziyang and other comrades also pointed out: In order to speed development and construction in Hainan Dao, the island should "introduce investment from abroad and establish lateral ties at home," and, at the same time, "go all out to earn foreign exchange." These two aspects are interrelated because, only by earning more foreign exchange can the island import technology and introduce investment and qualified personnel from abroad. Only by combining these two aspects can a comprehensive policy be formulated.

In addition to continuing to open up to the outside world and promoting economic and technological exchanges with foreign countries, Hainan Dao should increase economic cooperation in various forms with inland areas of China. It should make good use of its advantages and special policies in attracting funds and technical personnel from all localities and departments in the country to take part in development and construction in the island. To this end, it is necessary to formulate a set of policies, open the door, relax restrictions, and give preferential treatment to encourage all trades, professions, and units from the inland areas to invest or start all kinds of undertakings in the island.

There are more than 90 state farms, with nearly 500,000 staff and workers, in Hainan Dao. They produce one third of the island's total industrial and agricultural output value. During the inspection tour, Zhao Ziyang and the other comrades repeatedly pointed out that these state farms should be considered important forces in building and developing the island. They urged the staff and workers to bring their talents into full play and take part in various island construction projects.

These state farms should also be invigorated. First, they should be given greater decision-making powers in management, operations, and production, and should become dynamic economic entities with an independent accounting system, responsible for their own profit or loss. Second, to harness the enthusiasm of the large numbers of staff and workers in production and management, it is necessary to encourage establishment of family farms working under big farms. Third, it is necessary to encourage the diversified economy and promote comprehensive development. Fourth, it is necessary to expand farm operations by developing economic cooperation in various forms with other localities and units. In short, it is necessary to further untie the rope binding farm development so that they can be invigorated and contribute more to island construction. Farm reform should be made in accordance with these guidelines.

Showing keen concern for the training of talented personnel, Zhao Ziyang and other comrades emphatically pointed out that the most serious factor affecting construction on the island is the shortage of specialized personnel. While attracting capable personnel to work there, it is also necessary to establish various kinds of secondary, specialized technical schools for training large numbers of qualified personnel and relieving the shortage.

In view of the fact that Hainan Dao is an island inhabited by many nationalities, Zhao Ziyang pointed out the necessity of paying close attention to regional autonomy for minority nationalities and fully respect the right of all fraternal nationalities to be their own masters. At the same time, it is also necessary to strengthen the unified leadership of the party committee and the government of the Hainan Dao Administrative District in making concerted efforts and mapping out overall arrangements and rational planning in order to tap the great potential in the motherland's treasure island and stimulate vigorous economic growth in the whole island. Comrade Hu Qili expressed his earnest hope that cadres at all levels on the island will foster an overall point of view, make relentless efforts in building the two civilizations, show concern for the people's livelihood, and go forward with their mental burdens discarded, so as to march lightly to open up a new situation in Hainan.

COMMUNICATIONS SATELLITE REACHES PERMANENT ORBIT

OW200922 Beijing XINHUA in English 0909 GMT 20 Feb 86

[Text] Beijing, February 20 (XINHUA) -- China's second telecommunications and broadcasting satellite was placed accurately in an orbit above the Earth's equator today as planned. The satellite, which was launched on February 1, was placed in its permanent orbit above the equator at 103 degrees east longitude by ground station at 17:00 hours today. Instruments and other equipment aboard the satellite are all working normally and are expected to be put into actual use soon. The satellite and its "Long March" No. 3 carrier rocket were both developed in China. This is the second time China has launched an Earth synchronous satellite. The first was launched on April 8, 1984.

Central Organs Congratulations

OW201203 Beijing XINHUA Domestic Service in Chinese 0915 GMT 20 Feb 86

[Text] Beijing, 20 Feb (XINHUA) -- The CPC Central Committee, the State Council, and the Central Military Commission today cabled a greeting message on the successful positioning of China's second communications and broadcasting satellite for practical use. Following is the full text of the message:

Comrades having taken part in research and manufacture, launching, tracking and control, application, and safety of the communications and broadcasting satellite and carrier rocket:

The communications and broadcasting satellite we launched at the beginning of 1986 has been successfully positioned and is functioning normally. This shows that China has fully mastered the technology of manufacturing, launching, tracking, and controlling the carrier rocket; that its satellite communications have moved from the experimental stage to the applications state; and that we have made new advances in space and electronics technologies. This achievement will significantly speed our country's socialist modernization drive and help further develop its space technology. It heartens Chinese people of all nationalities tremendously.

That the communications satellite has been put into actual use is the result of your self-reliant and painstaking research and hard work and the energetic cooperation of the people of the whole country. The CPC Central Committee, the State Council, and the Central Military Commission hereby extend warm congratulations and cordial regards to you. It is our hope that you will carefully review your experience, show greater vitality, work in unity, and strive for greater achievements to make new contributions toward developing China's communications and broadcasting undertakings and space technologies.

[Signed] CPC Central Committee, State Council, Central Military Commission, 20 Feb 1986

NIE RONGZHEN REVIEWS ASTRONAUTIC ACCOMPLISHMENTS

HK190533 Beijing RENMIN RIBAO in Chinese 13 Feb 86 p 3

[Article by Nie Rongzhen: "Preface to 'China's Contemporary Astronautics Undertakings'"]

[Text] The publication of the book "China's Contemporary Astronautics Undertakings" is an event worth congratulating!

China's astronautics undertakings have substantially developed over the past 30 years. The industrious, brave, and creative Chinese people have built up, on the basis of their own efforts and strength, an advanced astronautics industry measuring up to world levels in an economically and technologically backward country. This is the pride of our Chinese nation!

Our practice over the past 30 years has shown that the policy decision on developing our country's independent astronautics industry made by the party's central leadership and by Comrades Mao Zedong and Zhou Enlai was correct and showed foresight. Many leading comrades of the party central leadership, the State Council, the Central Military Commission, and all relevant departments have actively supported the development of our astronautics industry and have made outstanding contributions to it. I am glad that I had the fortune of overseeing the preparatory work for the establishment of the astronautics department and of leading this department. I share deep feelings with comrades working on the astronautics front. This work experience on the astronautics front has been unforgettable.

Reviewing the past 30 years, our astronautics industry developed rather smoothly in the first 10 years. Although we encountered various difficulties and external obstructions in this initial period, the firm determination and the correct policies of the party central leadership fully aroused the initiative of all parties concerned, and a rather complete engineering system for the astronautics industry was established within a short time. We started the independent development of various models of astronautical vehicles and equipment and laid a solid foundation for wide-scale further development. However, the second 10 years were the disastrous 10 years of the "Cultural Revolution." Like things in other fields, the astronautics industry was seriously disrupted during this period and suffered major losses. Because we had laid a good foundation for this industry in the first 10 years, with the joint efforts of comrades on the astronautics front we could still advance the astronautics industry under unfavorable conditions. In the third 10 years, under the guidance of the party's correct line for the new historical period, our astronautics industry developed vigorously and scored remarkable achievements known to the whole world. It thus made major contributions to the national economic and national defense construction and to the development of science and technology in our country.

The development of our astronautics industry represents a victory for our party's principle of independence and self-reliance. In a technologically backward and economically weak country such as ours, people must have iron determination and a hardworking spirit in order to develop and master the advanced technology of the astronautics field, and the leadership must fully trust and rely on the wisdom and strength of the people. In the 1960's, we developed astronautical technology under conditions of external blockade and pressure, and we never vacillated or abandoned our efforts. We consistently maintained our national self-respect and self-confidence, persevered in independent research, and scored accepted achievements. At present, our external relations are much better than in those years. We should carry forward the policy of opening up to the outside world and should learn more from advanced foreign technologies and expertise so as to build up our own strength and offset our shortcomings. However, at all times we must rely on our own strength and efforts. The introduction of advanced foreign technology is a means for building our capacity for self-reliance.

The successful experience in developing our astronautics industry can be summarized into these points: concentrating strength, giving priority to the key links, shortening the "battlefront," and making breakthroughs on crucial points. In the initial period, our country's scientific and technological strength was still rather weak and the astronautical technology remained as a gap needing to be filled. In order to accumulate technological strength, the astronautics department gathered a number of outstanding scientists in our country. In the course of developing and testing astronautical vehicles and equipment, we also trained a large number of talented people and competent experts.

Thus, the contingent of astronautical personnel began to grow in both research and production fields. They maintain the fine tradition of hard work and have a good command of advanced technology. The party's training and education enable them to fully display their dedication and resourcefulness. This is the main guarantee for the vigorous development of our astronautics industry. Facts show this astronautics contingent has a high ability in resolving technical problems. From commanders to soldiers, all of them have been thoroughly tempered and have gained rich experience. They have solid foundation of expertise and are good at tackling difficult technical problems. They gave great potential for climbing new technological peaks.

Another successful experience in developing astronautical technology under the specific conditions of our country was to organize nationwide cooperation and to pool the wisdom of all parties concerned to tackle technological issues. This also represents the superiority of the socialist system in our country. Astronautical technology is related to many industrial and technological fields. The strength of the astronautics industry is not sufficient to deal with all technological problems. Forces in the five major fields in the whole country have been mobilized to cooperate in developing astronautical technology. Over the past 30 years, various national defense research institutes, industrial ministries, the Chinese Academy of Sciences, institutions of higher education, and local research units have all made important contributions to the development of our astronautics undertakings. At the same time, the development of astronautical technology has promoted the development of basic industries and has paved the way for the establishment and development of many new production and scientific branches.

In order to develop astronautical technology, we not only need a firm determination to catch up to advanced world levels, but also need a down-to-earth and scientific attitude and need to respect the objective regularity of things. Comrades on the astronautics front realize the large-scale, complicated, comprehensive, and exploratory characteristics of astronautical technology. They continuously review experience, learn from advanced methods in other countries, and have succeeded in establishing and developing a scientific management system and a set of methods suited to conditions in our country. These effective methods are valuable experience. We still need to further improve and develop these methods.

The achievements and experience of our astronautics industry over the past 30 years should now be taken as the new starting point for our future work. It is hoped that comrades on the astronautics front will continue to make efforts and further enhance their work. Our astronautics industry should be oriented to the world and to future development. We should pay close attention to new trends in technology at home and abroad, should learn from the new technologies and experiences of other countries, should bring our own strong points and advantages into better play and make continuous advances, and should make greater contributions to the building to socialism with Chinese characteristics.

The party leadership and the state have always attached importance to the development of our astronautics industry; the people of the whole country and the whole Army have always been concerned with and always supported the astronautics industry. Now, the book "China's Contemporary Astronautics Undertakings" carries the historical fact about the development of the astronautics industry in our country, and for the first time detailed accounts of China's astronautics industry are presented to readers at home and abroad. I hope that this book will help readers learn more about China's astronautics industry and gain some useful ideas.

MINISTER URGES EFFORTS FOR BUMPER WHEAT CROP

OW190516 Beijing XINHUA Domestic Service in Chinese 0838 GMT 18 Feb 86

[By RENMIN RIBAO reporter Xiao Junxi and XINHUA reporter Zhou Yichang]

[Excerpts] Beijing, 18 Feb (XINHUA) -- A total of 370 million mu of wheat fields in China have passed the winter safely. On 17 February, the Ministry of Agriculture, Animal Husbandry, and Fishery invited some of the wheat specialists in the major wheat-producing provinces of Hebei, Shandong, and Henan, and from Beijing to jointly analyze wheat growth and study measures for management of wheat fields in order to gather a good harvest this year.

As wheat is one of China's major grain crops, a bumper wheat harvest is of vital significance in gathering a large grain harvest in 1986. The wheat acreage in China this winter has only increased slightly. In general, the wheat crop is growing fairly well because of better sowing conditions in major wheat-producing areas in northern China. However, because of constant rain in the middle and lower reaches of Huai He and Chang Jiang last autumn, wheat sowing has been delayed, and consequently wheat in some areas is not growing very well. Furthermore, the supervision and management of wheat fields in some areas has not been properly handled. Some local leaders have taken heed of this situation and adopted corresponding measures to deal with the problem.

After an inspection tour of rural areas in Hebei Province, He Kang, minister of agriculture, animal husbandry, and fishery, attended the meeting. Minister He said: Now, it is imperative that we strengthen leadership, seriously implement the many valuable proposals presented by the specialists, and mobilize the peasant masses to action. We must lose no time in stepping up our work in this respect. The agricultural departments at various levels must earnestly strengthen management leadership in the wheat fields. At the same time, they must promote lateral ties between the various departments of water conservation, power, petroleum, finance, supply and marketing, grain, weather, and banking. They must take the initiative in soliciting support from these departments, and make an all-out effort to gather a bumper summer grain harvest as a means of laying the foundation for higher grain output for the whole year.

COMMUNICATIONS MINISTER ON ADMINISTRATIVE REFORM

OW200631 Beijing XINHUA Domestic Service in Chinese 0858 GMT 19 Feb 86

[By RENMIN RIBAO reporter Zhang Guorong and XINHUA reporter Li Anding]

[Text] Beijing, 19 Feb (XINHUA) -- According to the Ministry of Communications, the general requirement for the ministry's administrative reform during the Seventh 5-Year Plan period is to enliven communications and transportation services by improving management and overall control on the basis of achieving "changes in two areas."

Addressing the national communications conference, Minister of Communications Qian Yongchang said today that communications departments must gradually strengthen their management of the whole trade instead of paying attention primarily to their affiliated enterprises, and they should carry out indirect control instead of direct control over the enterprises' actual operations. He said: Communications departments must oversee the operation of the whole trade, exercise control over all types of highway and waterborne transportation services, as well as over those units which provide transportation services so that the functions of government departments can be brought into full play.

To strengthen control over the whole trade, government communications departments at all levels must attend to implementing the relevant policies, planning construction projects, and coordinating, balancing, and supervising the operation of all departments. They should delegate more power to various enterprises and reduce administrative intervention so that the enterprises will have greater vitality and produce greater economic returns.

Qian Yongchang said: The development of communications and transportation services should follow the principle of "licensing more companies to operate, and raising funds in various areas" so as to arouse the enthusiasm of all quarters, providing all forms of communications and transportation services. We should treat all types of transportation forces equally. In overall planning and division of the work, we should help them do what they can do best, so that their business can grow more successfully. While we must continue to relax our policies to enliven the operation, we must strengthen and improve overall control of the communications trade, organize the communications market well, and properly coordinate the various passenger and cargo transportation services so that joint operations and thorough transport services can be rationally divided. Passenger transport services should be provided according to regular schedules in accordance with travelers' needs. Seaports and terminals, as well as their maintenance and information departments, should be open to all professions and trades in society, and we should regard providing good services as improved management.

JUSTICE MINISTER ON POPULARIZING LEGAL KNOWLEDGE

OW190215 Beijing XINHUA Domestic Service in Chinese 1327 GMT 18 Feb 86

[By reporter Sun Yong]

[Excerpts] Beijing, 18 Feb (XINHUA) -- This year's work in popularizing legal knowledge should be combined with economic structural reform and with efforts to improve party style and bring about a fundamental improvement in general social conduct, said Minister of Justice Zou Yu at a meeting to report on popularization of legal knowledge in selected units, which ended today.

This is the first year of popularizing legal knowledge among all Chinese citizens. At present, more than half of the provincial, autonomous regional, and municipal leading cadres have taken the lead in studying laws, and a number of departments and units have achieved marked results in integrating the study of laws in everyday work. However, progress in popularizing legal knowledge has been uneven across the country. A national meeting to report on the popularization of legal knowledge in selected units opened on 16 February. During the meeting, responsible comrades from 15 units throughout the country exchanged experience in popularizing legal knowledge.

In his summing-up speech Minister Zou Yu said: When combining the popularization of legal knowledge with economic structural reform, we should study laws and use legal means to manage the economy and to promote the development of socialist commodity economy; in combining it with the effort to improve party style, we should examine the compliance with law and discipline and take action to resolve problems existing in enforcement and compliance with laws; and in combining it with the effort to bring about a change for the better in general social conduct, we should regard popularization of legal knowledge as an important aspect of the work of coordinating all quarters to improve public order, and should mobilize the masses to combat law violations.

Zou Yu stressed: In integrating the popularization of legal knowledge with everyday work, leaders should play an exemplary role in studying and using laws, checking whether their policy decisions conform with legal requirements and correcting any policy decision that fails to meet the requirements.

In order to achieve practical results and enhance understanding in the course of studying laws, a department or unit may conduct a preliminary survey of how things are handled according to the laws before holding study sessions on laws. By studying laws, ordinary people should learn how to use laws to protect their legitimate rights and interests and to correctly perform their duties as citizens. Judicial organs should also step up coordination with other departments and help them solve problems in legal affairs.

Vice Minister of Justice Cai Cheng presided over the meeting. A responsible comrade from the Propaganda Department of the CPC Central Committee also spoke at the meeting.

RAILWAYS MINISTER CALLS FOR INCREASED CAPACITY

OW190213 Beijing XINHUA Domestic Service in Chinese 1132 GMT 18 Feb 86

[By reporter Li Anding]

[Text] Beijing, 18 Feb (XINHUA) — In order to invigorate railway work as a whole during the Seventh 5-Year Plan period, all railway departments should strive for an upswing in two fields centering on an increase in transport capacity.

Speaking at a national conference on railway work today, Minister of Railways Ding Guangen said: The current problems in railway work are all caused by seriously insufficient transport capacity, impeding the development of the national economy. With this reality in mind, we should work hard to bring about an upswing in two fields centering on an increase in transport capacity. First, in order to increase transport capacity and meet the basic needs of railway transport, it is necessary to concentrate manpower, material, and financial resources on carrying out technological transformation on the 16,000 km trunk railways in the northeastern and coastal regions. To fundamentally improve the service of these railways, we will focus attention on laying multiple-track railways, increasing the length of electrified railways, using computers in operations and management, and building and expanding 10 passenger and 7 key marshalling stations. Second, it is necessary to vigorously implement technological transformation in the locomotive industry and greatly increase its capability to produce more locomotives and improve product quality. We should upgrade locomotives, using mainly electric and diesel locomotives. By the 1990's, we should be completely self-sufficient in locomotives. The production capacity of freight trains will be increased by at least 70 percent and passenger trains by 120 percent.

Ding Guangen said: While striving for improvement in these two fields, we should also go all out to improve party style and railway transport style so that the people will feel at ease and be satisfied with their railways.

INDUSTRY, COMMERCE BANK OUTLINES 1986 TASKS

OW180213 Beijing XINHUA Domestic Service in Chinese 0930 GMT 17 Feb 86

[By reporter Chen Naijin]

[Text] Beijing, 17 Feb (XINHUA) — The Industrial and Commercial Bank of China has outlined three tasks for this year. They are: Vigorously increasing deposits and self-sufficiency in credit funds, ensuring that loans are rationally used for supporting economic development, and earnestly improving service to speed the transfer of funds.

The Industrial and Commercial Bank of China handles industrial and commercial loans in cities and savings deposits in cities and towns. Speaking at a meeting of heads of all branches in the country today, bank president Zhang Xiao said that the three tasks have been outlined in accordance with State Council's instructions.

From now on, the Industrial and Commercial Bank of China will gradually shift its work to relying mainly on savings deposits and smooth circulation of funds to increase funds for loans. Zhang Xiao said: This is not only an important aspect in reforming the banking system but also a basic requirement for specialized banks in doing away with the practice of "eating from the big pot of the central bank" and enabling them to manage their own work. She called on the 400,000 staff and workers of industrial and commercial banks across the country to foster the idea of self-management and conscientiously strive to realize the shift in the work in order to bring into full play the role of banks in regulating and redistributing funds for economic construction.

According to reliable sources, in order to increase funds, the Industrial and Commercial Bank of China will try everything within its capabilities to increase savings deposits by city and town residents, enterprises, and individuals. Measures will be taken to resolve difficulties in depositing and withdrawing money; to increase the variety of accounts, expand the scope of service, and improve service by setting up such attractive savings accounts as specialized ones for tourism, housing, and high-grade durable consumer goods according to the actual situation in each locality; to sell certificates of deposit and experiment as agents for disbursing wages and pensions and collecting house rents and water, electricity, and gas fees in areas and units where conditions permit; and to continue to do a good job in issuing monetary bonds to private sectors in order to absorb as many funds as possible from among the masses of people.

In order to ensure funds for normal production and circulation this year, industrial and commercial loans will be issued according to the principle of reviewing the application case by case and selecting the ones with better qualifications on the premise of continuing to strengthen macroeconomic control and in line with the spirit of improving the supply to invigorate the economy. When a contradiction arises between loans for circulating funds and for investment on fixed assets because of a shortage of funds, priority will be given to loans for circulating funds. Circulating funds will be used mainly to support the following areas: Enabling industrial and commercial enterprises to purchase primary agricultural and subsidiary products according to purchase contracts; production and purchase of readily marketable consumer goods for daily use that are in great demand and can withdraw currency from circulation in the market, especially famous brand quality goods in short supply; competitive export commodities that can earn a great deal of foreign exchange as well as useful and marketable import commodities; and products included in state key production plans.

Loans for investment on fixed assets should be issued strictly to those that have already been approved by the state. It is necessary to control the general scale as well as pay attention to readjusting investment structure. Loans this year will mainly be used for supporting projects already under construction and contracts on importing technologies that have already been signed.

In order to cope with the needs of planned development in the commodity economy, especially development of lateral economic cooperation between different localities and departments, industrial and commercial banks in all localities will improve their service to speed the transfer of funds. They will adopt various methods, such as use of checks and transfer of funds by mail or bank notes, in settling accounts with customers, especially self-employed industrialists and businessmen and specialized households. In areas where conditions permit, the banks will issue traveler's checks on an experimental basis for personnel of enterprises or individuals on trips for procurement or other purposes.

The banks will also develop, on an experimental basis, the business of cashing or paying interest on bank notes in some large and medium-sized cities, as well as speeding the transfer of funds between localities and the settlement of bank notes in the same city in order to reduce the amount of funds tied up in the course of transfer or settlement, speeding circulation of funds, and conserving the use of cash. Joint economic enterprises that support lateral economic cooperation between localities and departments, and with status as legal persons and a joint charter, may open accounts at the Industrial and Commercial Bank and apply for loans for circulating funds and technological transformation in accordance with the regulations.

BANK OF CHINA TO SUPPORT DOMESTIC CONSTRUCTION

OW180127 Beijing XINHUA Domestic Service in Chinese 0922 GMT 17 Feb 86

[By RENMIN RIBAO reporter Ji Honggeng and XINHUA reporter Chen Naijin]

[Text] Beijing, 17 Feb (XINHUA) -- This year the Bank of China will make great efforts to raise capital in foreign exchange to support economic construction at home. The Bank of China is the only state-designated foreign exchange bank in the country. Its total assets in 1985 exceeded 200 billion RMB. Speaking today at a meeting of heads of the bank's branches in the country, Wang Deyan, president of the Bank of China, said the bank will intensify its survey of the international banking and capital market and the trend of interest rates and will choose the right moment to raise capital in foreign exchange with favorable terms in various ways and through various channels.

It has been learned that foreign exchange loans this year will primarily be extended to energy and communications development projects, as well as to medium-sized and small enterprises' short-term technical transformation projects that can promote exports and earn foreign exchange. If financially feasible, funds will also be spent on supporting foreign contracts, tourism, and the development of Sino-foreign joint ventures, cooperative enterprises, and enterprises operated by foreign businessmen. Loans for undertaking foreign contracts will primarily be those for supporting the export of labor services. Being a developing country, China is unable to provide large amounts of capital for undertaking foreign projects. Within the scope of the credit plan, we should accept more projects that pay cash, and reduce or reject projects that pay on a deferred payment basis, even when the payments are guaranteed. Credits for Sino-foreign joint ventures, cooperative enterprises, and enterprises operated by foreign businessmen should primarily be extended to technologically intensive projects, which are of a productive nature, and which can earn foreign exchange -- projects that can help the balance of foreign exchange.

Circulating funds in RMB must also be spent primarily on key projects, such as procurement of export commodities produced under the state plan, intermediate or long-term loans for supporting machinery export, and loans for supporting Sino-foreign joint ventures, cooperative enterprises, and enterprises operated by foreign businessmen.

The Bank of China stressed that using international commercial loans is a project requiring effective policies and technical skills. Applications for credit must be seriously examined, managed, and supervised so that our credits are in line with the nation's economic development, so that they can produce relatively good economic results, and so that the principal can be repaid with interest on time.

BANK OFFERS RURAL FOREIGN CURRENCY LOANS

HK140156 Beijing CHINA DAILY in English 14 Feb 86 p 2

[Text] To meet the demands of the expanding rural economy, the Agricultural Bank of China is offering foreign currency loans to help export-oriented projects in rural areas, according to the newspaper INTERNATIONAL BUSINESS. The bank is also endeavouring to attract foreign funds and loans to promote such projects.

China's coastal areas have developed dramatically in recent years. An upsurge in the exploitation and use of natural resources has swept these areas. Many products being manufactured in these areas are expected to earn foreign exchange for the state. Foreign currency loans are now badly needed by such enterprises for the introduction of advanced technology and equipment. Rural businesses need foreign currency not only for importing equipment, but also for buying raw materials that are in short supply on domestic markets.

In order to meet the increasing demand for foreign currency, the Agricultural Bank of China established a special office last year to increase overseas borrowing and link up business with foreign counterparts. The bank's branches in Shenzhen, Zhuhai, Foshan and Xiamen have started dealing in foreign exchange. New services offered by the bank's branches include individual and businesses' foreign currency savings deposits, and foreign currency loans to rural industries. According to the newspaper, the bank has signed contracts for loans of \$75 million with foreign financial organizations since 1985. The loans, from the World Bank and the International Fund for Agricultural Development, have been granted to agricultural projects in Guangxi, Zhuang Autonomous Region, and the provinces of Hubei and Fujian. The bank has also borrowed funds from foreign commercial banks. A \$2 million loan from the North Europe Investment Bank has been offered to state-run farms in Hebei Province to develop milk processing.

Another loan has been signed recently between the Agricultural Bank of China and Citibank of America. The loan is expected to go to Jiangsu and Guangdong Provinces to improve technology in rural businesses and fish-raising. Rural banks in special economic zones will gradually start offering all services provided by other specialized banks, with the approval of the People's Bank of China and the State Foreign Exchange Administration.

LIAOWANG CITES SUCCESSES IN POPULATION CONTROL

HK190517 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 6-7, 10 Feb 86 p 38

[Article by Guo Tong: "China Makes Headway in Its Population Policy"]

[Text] In April 1985, cooperating with the International Statistical Society and adopting methods from the "World Fertility Survey," China's State Statistical Bureau carried out the first stage of a fertility sample survey in Hebei, Shaanxi, and Shanghai. Judging from the initial figures from the survey, China has had success with its population policy.

1. High Marriage Rate, Low Divorce and Widowhood Rate, Stable Marital Status

The survey figures show that in Hebei, Shaanxi, and Shanghai, as in many other areas in China, the marriage rate is high and the divorce rate is low. Most women marry before age 35. Very few remain single for life. In Hebei, all women of child-bearing age have married before 35. In Shaanxi and Shanghai, the percentages of unmarried women over 35 are respectively 0.3 and 1.7, of which the percentage of those who will soon pass their child-bearing ages is about 0.2.

The percentages of those divorced or separated are very low in these provinces and the municipality. This percentage is 0.1 in Hebei, 0.3 in Shaanxi, and 0.4 in Shanghai. The main reason for the break-up of a marriage is the death of the spouse. However, with the gradual improvement of medical and health work and the people's livelihood in China, the people's lifespan is likely to be prolonged. Thus, the widowhood rate is also comparatively low. In the 45-49 age group, the percentages of those whose spouse has died (and who have not remarried) are respectively 3.8 in Shanghai, 4.2 in Hebei, and 7.1 in Shaanxi.

2. The Development From Early Marriage and Childbirth to Late Marriage and Childbirth

Over the past 30 years, the percentage of Chinese women who marry early has fallen markedly. In Shanghai, the percentage of women who marry before age 20 has been reduced from 42.2 to 1.2. In Hebei and Shaanxi, this percentage has been reduced respectively from 59.2 to 13.8 and from 79.7 to 19.3. Most women have delayed their marriages. Over the past 30 years this delay has been respectively 4.4 years in Shanghai and Shaanxi and 3.4 years in Hebei. In 1984, the average age for first marriages was 26 in Shanghai and 21.9 in Hebei and Shaanxi.

Over the past 30 years or so, the age at which Chinese women bear their first child has also been delayed. In the 1950's, some 51 percent of women in Hebei gave birth to their first babies under age 22; this percentage for Shaanxi and Shanghai was respectively 67.6 and 43.8. According to the current survey, in the 25-29 age group of women of childbearing age, the percentage of those who had their first babies before the age of 22 is respectively 13.7, 23.3, and 2 for Hebei, Shaanxi, and Shanghai. This percentage is now much smaller.

3. The Number of Children Born Has Been Reduced Every Year

The survey of a group of women of childbearing age shows that the average number of children born is respectively 2.45, 2.8, and 1.54 for Hebei, Shaanxi, and Shanghai. Judging from the childbearing situation and the general trend of development in the past 10 years from 1975 to 1984, the general birth rate has been dropping in both Shaanxi and Hebei Province, with the former faster than the latter. In Shanghai, the general birth rate has been maintained at the replacement level, but has grown a little bit.

Infant Mortality Is Comparatively Low

The survey of the infant mortality rate for babies under age 1 in the two provinces and the municipality from 1980 to 1983 shows that the mortality rate in Shanghai is the lowest, only 19.3 percent, and those for Hebei and Shaanxi are respectively 34.1 and 34.3 percent.

5. Knowledge About and Measures for Contraception Have Been Popularized

Judging from the survey figures, knowledge about contraception has been most widely disseminated in Shanghai. On the average, every married woman (who had a spouse during the survey) knows seven methods of contraception. In Hebei, each knows 5.6 methods, while in Shaanxi, each knows 5.2 methods. Over the past 30 years or so, each married woman in Shanghai has used 1.6 methods of contraception, and each married woman in Hebei and Shaanxi has used respectively 1.3 and 1.1 methods. At present, about 70 to 80 percent of married women have adopted contraceptive measures. This reflects our achievements in family planning. In Shanghai, 82.8 percent of married women have adopted contraceptive measures, and this percentage for Hebei and Shaanxi is respectively 75.6 and 69.

MIGRANTS REPORTEDLY POSE PROBLEMS FOR CITIES

HK150602 Beijing CHINA DAILY in English 15 Feb 86 p 3

[Text] As more and more surplus rural workers moved into China's cities for temporary jobs, they have upset the urban social order because many criminals have migrated with them. According to statistics reported by CHINA LAW JOURNAL, more than 3.21 million temporary residents have moved into China's top 10 cities -- Beijing, Tianjin, Shanghai, Guangzhou, Wuhan, Shenyang, Changchun, Harbin, Nanjing and Xian -- in recent years. This figure accounts for 10.2 per cent of the total population of these cities. The influx of temporary residents has occurred mainly in the past two years following the state policies of allowing rural workers to move into urban areas to start new businesses or find jobs in commerce, service trades and housing construction.

In Shanghai, for example, this "temporary" population was estimated at about 1.1 million by the end of 1985, two and half times more than in 1983. And a survey in Qianmen area of Beijing showed that 75 per cent of temporary residents had lived for more than half a year in the city.

Most of China's temporary urban residents were migratory labourers, many of them working on construction teams, the paper said. But although their business activities have greatly promoted urban economies and helped provide an additional supply of labour, the paper added, they have also created many new urban problems. Chief among these is the maintenance of urban public security because of inadequate control over residence registration. In Henan Province, a sample survey has found that 11 out of every thousand temporary residents in the province had criminal records.

The paper said many of these offenders entered the cities along with job seekers because of the lack of regulations requiring the employing units to assume responsibility for the temporary labourers. Another reason for the higher crime rate among temporary residents, officials note, is that many hotels and guest houses take in lodgers without requiring them to obtain temporary resident permits so long as the lodgers pay them rents.

All these loopholes have provided criminals with the opportunity to take shelter in cities without being easily detected spotted by police. In Beijing, for instance, 15 workers on a 50-member construction team employed on a hospital project have been caught pilfering, while in Shanghai, several private houses along Daning Street were found to be used as criminal hideouts where more than 1,500 kilogrammes of stolen copper and aluminum plates were found.

In an editor's note, CHINA LAW JOURNAL called on authorities to map out more stringent regulations governing urban temporary residence. The newspaper also suggested a substantial increase in residence management police force to cope with the heavy workload of registering the growing number of non-permanent urban residents.

DENG LIQUN SPEAKS AT JOB TRAINING CONFERENCE

OW200429 Beijing XINHUA Domestic Service in Chinese 1535 GMT 19 Feb 86

[By reporter Zhao Wei]

[Text] The national worker's in-service education management committee and the All-China Federation of Trade Unions cosponsored a news briefing in Beijing today to commend 800 outstanding in-service training teachers from various parts of the country. The meeting lasted 33 minutes.

Deng Liqun and Hao Jianxiu, members of the Secretariat of the CPC Central Committee, and State Councillor Zhang Jingfu attended the meeting to congratulate the teachers and express their best wishes to all other teachers working hard in providing on-the-job training for workers. Speaking at the meeting, Deng Liqun said: On-the-job training of workers is an important way of developing intellectual resources and training competent personnel, as well as a reliable means of guaranteeing sustained economic growth.

China's on-the-job training program for workers has achieved significant success in the 5 years since the party Central Committee and the State Council made the decision of intensifying on-the-job training for workers. To date, over 80 percent of the nation's 120 million or so workers have been retrained. The target set by the CPC Central Committee and the State Council -- namely by the end of 1985, the principal leaders of all enterprises and institutions should have been retrained, young and middle-aged workers should have made up their missed lessons in the political, ideological, educational and technical fields, and workers' technical level should have improved by one or two grades -- has been basically attained.

Deng Liqun pointed out: The accomplishment of our Sixth 5-Year Plan and the successful development of restructuring the urban economic system are inseparable from the mammoth on-the-job training of workers over the past several years. This success should be attributed to the hard work and contributions of teachers engaged in workers' on-the-job training. As such, they deserve the party's commendation and the people's respect.

Deng Liqun continued: To build China into a modern socialist country we must have a large contingent of ethical and educated workers with lofty ideals and a sense of discipline. While working hard to improve their teaching professions, all comrades engaged in workers' on-the-job training should promote socialist ethics and train more qualified personnel needed in our socialist modernization drive. Deng Liqun urged the entire society to care for the workers' teachers, cherish them, support their work, and help them solve their problems.

Commended at the meeting were 800 outstanding "gardeners" engaged in workers' on-the-job training in the nation's 29 provinces, municipalities, and autonomous regions. Most of them were not present at the meeting, however. Except for Beijing, which sent 50 representatives, all other provinces, municipalities, and autonomous regions sent only one representative each. Although they arrived in Beijing only a few days ago, all of them have already purchased return tickets and are ready to leave today or tomorrow. The national worker's in-service education management committee and the All-China Federation of Trade Unions have given each of them a medal, a certificate, and an honor album listing their good works. Deng Liqun hailed the efficiency of the short and small-sized meeting. He said: Today we have set a precedent and done something new. This meeting, which is held in the form of a news briefing, is just as good as other commendation meetings, but without the setback of being overburdened by too much work. This good idea should be popularized. I hope other fronts and departments will follow the same path, or develop an even better way, to commend their outstanding personnel and units.

In his speech, Zhang Jingfu said that on-the-job training of workers is a fundamental and important long-range project with far-reaching results. He expressed his respect for the teachers who have distinguished themselves in providing workers with on-the-job training.

Zeng Delin, He Dongchang, Yuan Baohua, Chen Bingquan, and other leading comrades of the Propaganda Department of the CPC Central Committee, the State Education Commission, the national worker's in-service education management committee, and the All-China Federation of Trade Unions attended today's meeting.

PENG ZHEN INSPECTS TIANJIN PEOPLE'S CONGRESS

OW200449 Beijing XINHUA Domestic Service in Chinese 1210 GMT 19 Feb 86

[By reporter Yang Fubao]

[Text] Tianjin, 19 Feb (XINHUA) -- Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the Standing Committee of the National People's Congress, inspected Tianjin today and pointed out that the work of the people's congresses should be strengthened, we should all abide by the law and pay attention to legislation, and all organizations and individuals must not overstep the Constitution.

Comrade Peng Zhen today heard a report by Zhang Zaiwang, chairman of the Standing Committee of the Tianjin Municipal People's Congress, on the work of the municipal People's Congress. Comrade Peng Zhen pointed out: All party members should do things according to the party Constitution and all people in the country should promote observing the Constitution and doing things in accordance with the law. In this way, our country can be consolidated. He said: Various provinces, municipalities, and autonomous regions should strengthen local legislation work. We should formulate laws one by one whenever conditions are ripe. Good legislation by various localities and departments will provide a foundation for the legislative work by the NPC.

Comrade Peng Zhen yesterday inspected the Jizhuangzi waste water processing plant and Nanshi food market in Tianjin. At Sanmao Restaurant, Comrade Peng Zhen gladly met with a group of children who were having a birthday party and had his picture taken with them as a memento.

XI ZHONGXUN, OTHERS VIEW BEIJING PERFORMANCE

OW190831 Beijing XINHUA Domestic Service in Chinese 1533 GMT 18 Feb 86

[By reporter Yin Hongzhu]

[Excerpts] Beijing, 18 Feb (XINHUA) -- At the invitation of the Ministry of Culture, a local experimental theatrical troupe from Baotou City, Nei Monggol Autonomous Region, came to Beijing. The troupe premiered a Manhan opera [man han ju 3355 3466 0489] "Legends of Fengzhoutan" at the People's Theater this evening.

Leading comrades Xi Zhongxun, Zhu Xuefan, Zheng Tianxiang, Yang Jingren, and Yang Chengwu; responsible persons of the Ministry of Culture and the State Nationalities Affairs Commission Zhu Muzhi, Zhou Weizhi, Lin Mohan, Ren Ying, and Lobsen, as well as personages of the Beijing theatrical circle -- a total of over 1,000 people -- watched the brilliant performance. After the performance Xi Zhongxun and others ascended to the stage to congratulate the performers on their successful performance and to be photographed with them.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK190913 Beijing RENMIN RIBAO in Chinese 15 Feb 86 p 8

[Table of Contents for HONGQI No 4, 1986]

[Text] Forum: "Make Decisions Promptly and Resolutely"

Article by Li Xuezhi: "Leading Cadres Should Take the Lead in Rectifying Party Work Style"

Article by Zhang Zhixiu: "Act Unswervingly in Light of the Overall Situation"

Article by Jing Ping: "No Economic Stability Without Agricultural Development, No Prosperity Without Industrial Growth, No Economic Invigoration Without Commercial Expansion"

Article by Gao Shangquan: "New Trends and Tasks in Transforming Economic Structural Patterns"

Article by Liu Han: "Reform and Law"

Article by Wu Fusheng: "Pay Close Attention to Education Legislation"

Article by Huang Mei: "Songs of Our New Swans -- An Informal Discussion of Three New Films Reflecting the Theme of Rural Life"

Article by Sun Xiaoli: "Cross Science -- A Study into Multi-Branches of Learning"

Article by Zhu Changchao: "Comments on Sociobiology and Its Theory of 'Selfish Human Nature'"

Article by Lu Zhichao: "Study Basic Marxist Theory, Improve the 'Four Qualities' in Work"

Article by Hou Gu: "Justice Is Bound to Overwhelm Evil"

Article by Fan Yongge: "The Fascination of an Iron-Willed Marshal -- Reading 'The Heavier the Frost, the Darker the Color'"

Article by Yun Shan: "Hold Aloft the Banner of Ideal -- Reading the 'Essays on Disillusionment'"

'MASSIVE' PROJECT PLANNED TO DEAL WITH HUANGPU POLLUTION

HK200351 Beijing CHINA DAILY in English 20 Feb 86 p 1

[By staff reporter Su Zhen]

[Text] Shanghai -- A massive project to tackle pollution of the Huangpu River entered its final planning stages at a high-level conference in Shanghai this week. An appraisal panel announced that the huge research project, based on a massive body of data, was both scientific and practical. The massive project was put on the list of the State's top scientific research projects during the Sixth-Five-Year Plan (1980-1985). The environment protection project, with research funds of 5 million yuan from the central government, covers research on the assimilation capacity of Dianshan Lake, the water resources of the Huangpu, a feasibility study on tapping water upstream for human consumption and a report on the effects of that water on public health.

According to Chen Xingchu, director of the urban construction department of the city committee of science and technology, two key projects are already underway.

One billion yuan is being spent on piping much cleaner water from upstream into the city for domestic use through 69.9 kilometres of new canals and pipes, which are expected to be finished by 1987.

Another project -- cleaning up the pollution downstream -- has also been accepted by the State Planning Committee. With a budget of 1.5 billion yuan, (\$540 million), the project aims to divert waste from the Huangpu and Suzhou rivers into purification plants and eventual discharge into the Yangtze River Estuary. Work on the project is expected to begin later this year. The first step is to intercept and clean waste water flowing into the Suzhou River by 1992 and then extend the project to the Huangpu River by 1996.

The Australian government has been giving technical assistance through its Australian Development Assistance Bureau. Between 1982 and 1983, the Australians offered 4.78 million Australian dollars (\$4.2 million) in aid. The Huangpu River project has also caught attention of the World Bank, which sent a delegation late last year to study the project. The World Bank has since agreed to contribute \$100 million to the project.

To prevent the Huangpu River from getting worse, the Shanghai government has passed laws curbing the amount of waste discharged by factories along the river and its tributaries. All factories now have to obtain a special license before they are allowed to discharge waste into the river, and are charged for their discharges. Factories dumping excessive amounts of waste will be fined.

The pollution problem of the Huangpu River has been critical for a long time. The average daily flow of waste water is about 4.90 million tons, of which more than half is directly discharged into the river. The Suzhou River, its tributary, is murky and stinks almost all year. Letters of complaint have been piling up on the desks of city leaders, and many state leaders have also called for urgent measures to tackle the problem.

GUANGDONG ISSUES SPECIAL ACCOUNTING REGULATIONS

HK190919 Beijing ZHONGGUO XINWEN SHE in Chinese 1350 GMT 14 Feb 86

[Text] Guangzhou, 14 Feb (ZHONGGUO XINWEN SHE) -- The Guangdong Provincial People's Government today promulgates accounting management regulations governing foreign-related enterprises in Guangdong Province's special economic zones. The regulations were approved by the 17th Session of the Standing Committee of the 6th Guangdong Provincial People's Congress on 25 December 1985.

The regulations govern special economic zones' Sino-foreign capitalized enterprises, Sino-foreign cooperatively run enterprises, foreign-capitalized enterprises, and Sino-foreign limited-liability companies (hereinafter called foreign-related enterprises in special economic zones).

The regulations point out that foreign-related enterprises in special economic zones should follow the accounting system of the Ministry of Finance in drawing up their own accounting regulations. These enterprises should submit their accounting regulations to the urban financial and taxation bureaus in the zones. The accounting work of foreign-related enterprises in special economic zones should be managed by the urban financial bureaus in the zones. Foreign-related enterprises in special economic zones should establish their accounting offices in the zones, staff these offices with accountants, and carry out independent accounting.

The regulations stipulate that foreign-related enterprises in special economic zones should hire chief accountants. Small enterprises can have their accountants appointed by their boards of directors, and these accountants will exercise the functions and powers of chief accountants. Chief accountants will assist general managers in exercising leadership over enterprises' financial and accounting work. The board of directors is responsible for recruiting candidates to fill the posts of chief accountant.

There is no need for small foreign-related enterprises in special economic zones to hire auditors. Auditors are responsible for checking enterprises' revenues and expenditures, account books, receipts, and account statements. Auditors will be hired by the board of directors.

The regulations provide that foreign-related enterprises in special economic zones must subject their accounts to supervision and examination by the urban financial bureaus and taxation organs in the zones. They should provide the necessary account vouchers, account books, and other account details for the financial bureau and taxation organs, and must not hold back their account details or make false accounts. The enterprises concerned are responsible for paying the fees for checking accounts.

Either side of Sino-foreign cooperatively run enterprises or Sino-foreign capitalized enterprises is entitled to check enterprises' account books, and the fees for checking will be borne by the side which checks the accounts. If necessary, problems discovered in the course of examination should be submitted to the enterprises concerned for study and settlement.

The regulations point out that the urban financial bureaus in special economic zones have the right to order foreign-related enterprises which have violated the stipulations in the regulations to correct their mistakes within the prescribed time.

The financial bureaus can impose a fine of between 100 and 1,000 yuan on the enterprises which have violated the regulations, and if the enterprises fail to correct their mistakes within the stated time, the urban industrial and commercial administrative bureaus in special economic zones have the right to order them to stop business.

Any managerial personnel, accountants, or other persons making false accounts or destroying account vouchers and account books will be given administrative punishments by the foreign-related enterprises concerned. Serious cases will be dealt with by taxation organs, which will order the perpetrator to compensate for the economic losses incurred and to pay a fine not exceeding 10,000 yuan. Criminal cases will be dealt with by judicial departments.

The regulations also govern the accounting management work of enterprises run in special economic zones by individuals or economic organizations of Overseas Chinese, Hong Kong and Macao compatriots, and Taiwan compatriots.

The regulations will come into force on 1 March 1986.

GUANGDONG ACTS TO SOLVE TRAFFIC PROBLEMS

HK180830 Beijing CHINA DAILY in English 18 Feb 86 p 3

[Text] Guangzhou -- A major road construction programme has made significant progress in helping ease the crowded traffic conditions in Guangzhou, the biggest city in the southern part of China, and further improvements lie ahead. In recent years, automobiles and bicycles have increased by 20 percent annually, and today there are 180,000 cars and 1.52 million bicycles, Shi Anhai, deputy mayor of Guangzhou told CHINA DAILY. Last year, the city began a three-year programme aimed at solving the problem of traffic jams, and to date it has made notable progress. Shi said that among other things the city invested 97.9 million yuan last year in completing the construction of the new Guangzhou Bridge, 988 metres long and 24 metres wide, the third one across the Pearl River. Besides, he said, five major roads were paved or expanded last year, all of them 50 to 80 metres wide and a total of 15 kilometres in length.

"There is a traffic relaxation at present," Shi said, "but traffic jams still exist at some of the crossroads, especially during rush hours. So, we shall redouble our efforts to further improve the city's traffic." In the next two years, Shi said, with about 400 million yuan from the provincial and municipal governments as well as from the city's enterprises and institutions, the city will complete the fourth Pearl River bridge, a giant suspension span. A four-kilometre-long upper road will be soon built above Remin Road from the Pearl River to the railway station. Construction of a passenger tunnel at the crossroads in Qiyi Road and a fourlane underwater tunnel from Huangsha to Fancun will also start this year. Before the Sixth National sports meet in Guangzhou in 1987, the city will probably complete a 40-kilometre-long expressway around the metropolitan area, linking with highways to Foshan, Shenzhen and Zhuhai. The expressway will carry about 80,000 automobiles a day, the deputy mayor said.

PLA UNIT HELPS CONSTRUCTION OF HENAN BRIDGE

HK190145 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 18 Feb 86

[Excerpt] Work on the roadbed construction project on the northern bank of the Huang He, which is being undertaken by a certain PLA group army in support of building the Huang He road bridge at Zhengzhou, started on 18 February. Qin Kcai, member of the Standing Committee of the provincial CPC Committee and vice governor; (Zhu Chao) and (Li Chunting), leading comrades of the group army; and 1,000 commanders and fighters attended the ceremony held at the work site to mark the start of construction work. The Huang He road bridge at Zhengzhou is currently China's longest road bridge. It is a key Henan project for the Seventh 5-Year Plan.

HENAN TO IMPLEMENT SPARK PLAN FOR RURAL AREAS

HK190143 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 18 Feb 86

[Text] The provincial CPC Committee and government have concentrated powers, finance, and brains to promote the implementation of the spark plan in the province as soon as possible. The provincial CPC Committee and government have decided that Vice Governor Qin Kcai and responsible comrades of the provincial science and technology commission, rural economic commission, and finance and civil affairs departments should be responsible for leading the implementation of this plan. Arrangements for spending the 100 million yuan allocated to the plan have been made.

The provincial CPC Committee and government have formally set three targets for the spark plan: During the Seventh 5-Year Plan, the province and the prefectures, cities, and counties should propose about 200 advanced sample projects each year which are worth popularizing; some 50 whole sets of advanced technology and equipment suited to the needs of rural areas and township enterprises should be developed each year. During the Seventh 5-Year Plan, centering on the spark plan and in accordance with the needs of rural areas and township enterprises, the province and the prefectures and counties should hold short training courses for 500,000 to 600,000 people, to instruct in one or two fields of applied technology.

PEASANT INCOMES SOAR IN HUNAN PROVINCE

OW131733 Beijing XINHUA in English 1522 GMT 13 Feb 86

[Text] Changsha, February 13 (XINHUA) -- The average annual income of peasants in Hunan Province last year soared 20 percent over 1984, despite a long dry spell in the major rice-producing region, according to the provincial agricultural bureau today. The figure is now more than 410 yuan per person in the countryside, compared to the national average of about 400 yuan.

Due to a dry spell of more than 100 days in early summer and reduction of growing area, the province's grain output decreased by one million tons from 1984 to 24.5 million tons. But thanks to the development of cash crops, forestry, animal husbandry, sideline occupation and fisheries, the agricultural output value still went up by 12 percent from 1984 to reach 19 billion yuan. Meanwhile, the output value of 450,000 rural factories soared 47 percent to reach 9.5 billion yuan. Now 7.3 million peasants, or one-third of the province's total, are engaged in industry and service trades, the bureau reported.

SICHUAN'S YANG RUDAI VIEWS CURRENT SITUATION

HK190257 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 18 Feb 86

[Excerpts] On 17 February the Sichuan Provincial CPC Committee invited responsible persons of the provincial CPPCC, democratic parties, and mass organizations, together with well-known nonparty figures, to a forum to report on the situation in economic work and in improving party style in the province and on arrangements for this year's work, and to listen to their views.

Provincial CPC Committee Secretary Yang Rudai spoke on the province's achievements in various fields last year, the work arrangements for 1986, and the correction of party style. He said: Last year the province's total industrial and agricultural output value rose by 12.1 percent. Financial revenue rose by a record 1.23 billion yuan. The four excessive things in economic work were basically brought under control. Second-stage party rectification has been completed. Notable success has been gained in correcting new unhealthy trends.

In our work this year, the province must continue to implement the spirit of the National Conference of Party Delegates, and while grasping economic work well, devote more effort to building socialist spiritual civilization. We should concentrate on enhancing the exemplary role of the provincial organs in correcting party style, strengthen and improve ideological and political work on all fronts, and seriously launch grassroots party rectification in the rural areas.

He said: The experiences of history show that, no matter what the problem is, so long as the CPC Central Committee grasps it, the whole party will rapidly grasp it also, and the greatest problems and difficulties can be surmounted. We should be full of confidence in correcting party style. The view that it is hard to bring about a turn for the better in party style is out of line with reality. Viewing things in a truth-seeking way, although there are many problems in party style, and some of them are very serious, the main current of party style is good and is developing in a good direction.

Yang Rudai said: Viewing the province as a whole, the unhealthy trends of party and government organs and cadres running businesses and enterprises, randomly issuing bonuses, subsidies, and clothing, arbitrarily hiking wages, showing and duplicating pornographic videotapes, randomly printing vulgar tabloids, and selling automobiles, steel, and so on for profit have been either basically curbed or greatly reduced. Since the second half of last year, we have devoted great efforts to investigating and dealing with major and important criminal cases. Half of the cases dealt with by party and discipline inspection committees at and above county level have been submitted to the courts. Regarding the practices of buying imported cars, going on trips abroad, reception work, spending public funds on tourist trips, making money by improper means, and using powers to run businesses and so on, mentioned in the urgent central circular on correcting new unhealthy trends, the provincial CPC committee and government have carried out serious comparison and examination, taken stock of the problems, and put forward ways of solving them.

However, the provincial CPC committee holds that there are still many problems in party style in the provincial organs and in the province as a whole, and some of them are rather serious. The main manifestations are as follows:

1. Some cadres lack drive and a strong sense of responsibility. They lord it over everyone and are divorced from the masses. They fail to investigate and study the new problems in reform, and ignore and fail to take action against malpractices and in major and important criminal cases. When something crops up, they pass the buck among each other.
2. There is conspicuous political liberalism in some units and among some comrades. They fail to undertake serious study or investigation but instead make irresponsible comments and even believe and pass on slander and gossip.
3. Some unhealthy trends have not yet been curbed, and some already curbed crop up again the moment there is a little relaxation.

Comrade Yang Rudai said: In accordance with the intentions of the central authorities, and in connection with Sichuan reality, the provincial CPC committee recently decided after serious discussion to grasp the following work in correcting party style this year:

1. Concentrate forces to curb malpractices. First, in the first half of the year, we must curb the six unhealthy trends mentioned in the urgent central circular. Methods already proposed for correcting things must be implemented properly. The provincial organs must set an example.
2. Continue to get a good grasp of investigating and dealing with major and important criminal cases. Resolute blows must be dealt at speculation, swindling, smuggling and peddling contraband, and bribery, corruption, and embezzlement.
3. Strictly straighten out discipline. In order to curb the unhealthy trends and strive for a fundamental turn for the better in party style, it is essential to be resolved to straighten out party discipline. We must also straighten out discipline in personnel affairs, economic and financial matters, foreign affairs, keeping secrets, and in propaganda.
4. Seriously grasp education in a party spirit. Bad party style arises from weak party spirit. At present we must pay particular attention to correcting individualism, bureaucratism, and liberalism within the party.

The key to getting a good grasp of these four things lies in the whole party working to improve party style. The party committees at all levels and the party organizations on all fronts and in all departments must seriously tackle this job. The principal leading comrades must personally grasp it.

I hope the comrades outside the party will criticize problems in our work and party style, and exercise supervision. They should expose serious problems.

Xie Shijie, member of the Standing Committee of the provincial CPC Committee, conveyed the spirit of Central Document No 1 of this year and introduced the rural economic situation last year and the arrangements for rural work this year.

WU JINGHUA ATTENDS XIZANG PRAYER CEREMONY

OW171717 Beijing XINHUA in English 1650 GMT 17 Feb 86

[Text] Lhasa, February 17 (XINHUA) -- A thousand lamps illuminated the Qoikang monastery as they did nearly 600 years ago when the traditional Tibetan prayer ceremony began here today for the first time in 20 years.

More than 1,000 lamas from lamaseries and temples throughout Tibet gathered at the festival decorated monastery early this morning and began to pray under the leadership

of Buimi Qambalocha, vice-president of the Tibetan branch of the Chinese Buddhist Association. Buimi holds the scholarly rank of first class gehsi, the highest in lamaism.

At noon, Bainqen Erdini Qoigyil Gyaincain, honorary president of the association and vice-chairman of the Standing Committee of the National People's Congress, China's legislature, spoke to the more than 10,000 Buddhists assembled for the event. He said resumption of the prayer ceremony after its official suspension at the start of the "Cultural Revolution" in 1966 "shows the commitment of the Communist Party toward minority nationalities and the Tibetan region." For their part, Bainqen told the Buddhists they should "contribute to national unity and the economic development of your hometowns."

The ceremony will last ten days and will include jo'nga-qoiba, the traditional lamp festival, along with oral examinations to test the qualifications of candidates applying for gehsi, the Buddhist doctorate in theology. The prayer ceremony, first performed in 1409, was initiated by Zong Kaba, founder of the yellow sect of lamaism, to revitalize Tibetan Buddhism and promote religious discipline. More than 10,000 lamas of various lamaist sects and hundreds of thousands of followers flocked to Lhasa for the ceremony, which was performed annually until 1966.

Since 1979, when the Chinese Communist Party's policy on religious freedom began to be more strictly enforced, religious activities have returned to normal ceremony, prayer ceremonies have since 1979 flourished in individual lamaseries and temples.

Among those present at today's ceremony were Tibet regional party secretary Wu Jinghua, wearing traditional Tibetan clothes, and Pagbalha Geleg Namgyai, vice-chairman of the regional People's Congress Standing Committee, and other local government leaders. Also participating were lamaist followers from Qinghai, Sichuan, Gansu and other places in China as well as some Tibetans who came from abroad for the ceremony.

LAMAS RETURN FROM INDIA FOR XIZANG CEREMONY

OW191919 Beijing XINHUA in English 1912 GMT 19 Feb 86

[Text] Lhasa, February 19 (XINHUA) -- Ten lamas, who left their Tibetan homes in 1959 for India, have returned here to visit their relatives and attend the Buddhist prayer ceremony now going on at the Qoikang temple.

One of them, 50-year-old Qamba Toinzhub, said the centuries-old ceremony -- performed this year for the first time since 1966 -- is "being done just as the canons say it should." The lama said he was surprised to see Wu Jinghua, secretary of the Tibet Autonomous Regional Party Committee, participate in the ceremony. "I never expected him to come, to present a khata (a ceremonial silk scarf) to the Bainqen Lama and to give donations," he said. A lama who once lived at the Gandain monastery said he was particularly pleased to see young lamas at the ceremony. "This shows that Buddhism in Tibet will continue," he said.

The lamas said they plan to attend the Tibetan lamp festival and other activities before returning to India.

GANSU CIRCULAR LISTS ABUSES BY LANZHOU CADRES

HK190645 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 17 Feb 86

[Text] Recently the provincial Discipline Inspection Commission transmitted to other areas the Lanzhou Discipline Inspection Commission circular on the leading cadres of Lanzhou City tap water company, who abused their authority and continued to make mistakes during party rectification.

The circular of Lanzhou City Discipline Inspection Commission said: In 1984, (Li Yuquan) and (Li Qinglu), party secretary and manager of the city tap water company; as well as other comrades, flaunted the banner of reforms while misappropriating more than 798,000 yuan of public funds. They arbitrarily gave over 270 yuan in bonuses, payments in kind, and garments to each worker on average; and more than 1,000 yuan to each of the company's nine leaders on average. Both (Li Yuquan) and (Li Qinglu) took more than 1,300 yuan each, or more than five times that taken by a worker. In addition, they cheated the workers and gave 17,750 yuan of red-pocket money to 75 cadres at and above the section level. They misappropriated over 5,800 yuan of public funds for entertaining and giving gifts to guests. But the most serious mistake is that they covered up their mistakes and cheated the party organization while the organization at the upper level was examining vouchers.

The circular pointed out: Such problems developed when the city was carrying out party rectification. Thus, it is a case in which the leaders knowingly violated discipline. In order to correct party and administrative discipline, and to ensure smooth progress in economic structural reform, the city CPC Committee has decided to remove (Li Yuquan) and (Li Qinglu) from their offices of party secretary and CPC Committee members of the Lanzhou City tap water company and to suggest the administration remove (Li Qinglu) from the office of manager of the company. Those three comrades, including deputy party secretary (Zhang Zhishou), who took part in the activities were given disciplinary warnings. The provincial CPC Committee also proposed corresponding suggestions on the bonuses and garments arbitrarily given by the leaders.

When transmitting this circular, the provincial Discipline Inspection Commission solemnly pointed out: Despite repeated injunctions of the central authorities on banning the practice of arbitrarily giving bonuses and payments in kind, the leadership of the Lanzhou City tap water company paid no attention to this and continued to commit mistakes. This has once again shown that in order to check unhealthy tendencies, we must uphold the principle of acting resolutely and unremittingly. Whoever violates party discipline or state laws must be dealt with seriously. Everyone is equal before discipline. The circular urged all party members and cadres, particularly leading cadres, to draw lesson from this case. They must at all times handle matters in accordance with party policies and observe party discipline.

NINGXIA REGULATIONS ON IMPROVING WORK STYLE

HK190551 Yinchuan NINGXIA RIBAO in Chinese 31 Jan 86 p 1

["Regional CPC Committee and Government Regulations on Improving Organ Work Style"]

[Text] Based on the spirit of the relevant central circular, the following are several regulations on improving the regional party and government organs work style:

1. It is forbidden to hold receptions under various pretexts, taking advantage to eat and drink to one's heart content; the money spent on food should not exceed the stipulated standards for any kind of meetings; the principle of being industrious and thrifty and practicing economies should be observed even when tea parties and forums are indispensable during festivals, and nothing more than a mug of tea will be provided for the participants.
2. It is forbidden to hold banquets, send gifts, or issue souvenirs with public funds. With the exception of the wounded and the sick, dependents of soldiers and revolutionary martyrs, and retired elderly cadres, to whom appropriate gifts may be presented during visits, no gifts should be brought during a visit.
3. It is forbidden to include a lot of people when leading cadres go out, and they should all take a light vehicle accompanied only by a small entourage. It is forbidden to go in for ceremonious welcomes and send offs when traveling between various localities. With the exception of those people who are involved in the work, other leading members should not accompany the leading cadres.
4. It is forbidden to hold welcoming or send off parties when leading cadres go to grass-roots units to inspect work. It is forbidden to treat them with cigarettes, fruit, or other kinds of food, or to serve wine in the course of meals. Those who take meals at grass-roots units should pay for them according to the stipulated prices.
5. It is strictly forbidden to send gifts to leading organs and leading cadres at the expense of public funds, and it is forbidden for leading organs and leading cadres to accept or ask for gifts.
6. Those cases involving the purchase and renewal of imported high-quality cars in violation of the regulations should be seriously investigated and dealt with according to the regulations.
7. It is forbidden to travel on public funds, and visits and study outside the province should also be strictly controlled. It is forbidden to travel in the guise of visiting, studying, and participating in meetings.
8. It is forbidden to distribute bonuses, subsidies, or goods in kind arbitrarily under any pretext during festivals.
9. It is forbidden to take advantage of one's position to use public cars for personal affairs. If there is an actual need to use a public car, fare must be charged according to the regulations.
10. It is forbidden for leading cadres at all levels to leave their posts without approval. If responsible persons of various regional departments should leave the region for meetings, visits, or study, their departure should be approved by the responsible leadership of the region.

PAPER VIEWS U.S. INFLUENCE IN PHILIPPINES

OW190259 Taipei CNA in English 0240 GMT 19 Feb 86

[Text] Taipei, Feb. 18 (CNA) -- A leading newspaper in the Republic of China said Tuesday that the increased political unrest and crises in the Philippines have created many abnormal phenomena, including U.S. intervention in the Philippines' internal affairs. The UNITED DAILY NEWS, in an editorial Monday, said the U.S. cannot help but get involved in the Philippines political disputes because of its role as a leader of the free world and its strategic interest in the island nation. It is an undeniable fact that both the American people and the U.S. Government have applied certain pressures on the Philippines related to that nation's internal affairs, but it is very doubtful if such pressure has produced the anticipated effects, the paper said.

The editorial said that basically, the motive for the U.S. intervention is to prevent non-communist nations from being communized and to make sure that the process of democracy will continue in those nations. But unfortunately, the U.S. seems to have been neglectful of communist influence, which is the most serious threat to the process of democracy, the paper said. Indulging in its appeasement policy, the U.S. so far has not come up with any effective measures to counter communist expansion, but instead it has often criticized the internal affairs of its allies, thus drawing strong protests from the people there, it said.

The editorial pointed out that economic development and democratic politics are the most effective means to deal with communism and to ensure stability. The U.S. will only create more political unrest in friendly nations if it simply requests its allies to carry out democracy while failing to provide a solid base for their economic development and to introduce effective strategies to deal with communist insurgencies, the paper said.

CHINA POST ON PHILIPPINES ELECTION CONTROVERSY

OW200510 Taipei CHINA POST in English 17 Feb 86 p 4

[Editorial: "Implications of the Philippine Election"]

[Text] The Philippine National Assembly on Saturday proclaimed Ferdinand E. Marcos President of the Philippines for another six years, amid widespread charges that the vote was influenced by fraud. The controversial presidential election may trigger still greater unrest in a country already plagued by turmoil. How the Philippine situation will evolve is anybody's guess, but we hope that it will head toward stability.

The Feb. 7 election was accompanied by much violence and bloodshed. Marcos' challenger -- Corazon Aquino -- displayed much strength and enjoyed obviously popular appeal. This is why Marcos almost failed to succeed, although in the end he emerged with a 1.5 million vote majority over Mrs. Aquino.

Whatever the post-election situation may be in the Philippines, the election has brought to a climax the political rift and confrontation between President Marcos' government and the opposition. And the situation may deteriorate further if mass demonstrations are staged in protest of the alleged election frauds. Many moderate Filipinos may become radical.

A surge in violence and chaos in the Philippines would give the Communists in the country an excellent opportunity to spread revolution and even to seize power. That would certainly be unfortunate for the free world in general and neighboring countries and the United States in particular.

In the interest of peace in Asia and the rest of the world, the Marcos government should be prodded into reform. And President Marcos himself should act rationally by cooperating with the United States in improving the political and economic situations in his own country.

The present state of affairs of the Philippines has important implications for the Republic of China on Taiwan. Here, we are much better off. We have a stable political situation and a dynamic economy. And the ROC government is devoted to national development and committed to democracy. Everyone here should value the progress and stability that we have today. While democracy must be promoted further, the goal should be pursued peacefully and patiently. Otherwise, we could easily lose all that we enjoy.

CHIANG CHING-KUO SPEAKS AT KMT COMMITTEE MEETING

OW180547 Taipei CHINA POST in English 13 Feb 86 p 4

[Excerpts] President Chiang Ching-kuo yesterday called on all comrades of the ruling Kuomintang to embark upon the 14 development projects in the coming year so as to lay a solid foundation for the nation's basic development. In the Year of the Tiger, President Chiang also urged all KMT members to come into closer contact and communication with citizens' groups and provide them with assistance and service to benefit the people.

Yesterday was the first day for public servants to return to their work after the four-day Chinese Lunar New Year holiday. The ruling party took the opportunity to convene a Central Standing Committee meeting. When President Chiang, in his capacity as the KMT Chairman, arrived at the meeting, all gave him a standing ovation. In return, Chiang wished the committee members a happy new year, good health and a continued progress with the party's work.

Chiang especially inquired on the conditions of the New Year holiday from Taiwan Governor Chiu Chuang-Huan, Taipei Mayor Hsu Shui-teh and Kaohsiung Mayor Su Nan-cheng. President Chiang especially extended his greetings to Mayor Su and Chao Tze-chi, Secretary General of the KMT's Policy Coordination Committee. Both have undergone surgery recently.

KMT MEETINGS TO BEGIN 29 MARCH, LAST 3 DAYS

OW191005 Taipei CNA in English 0935 GMT 19 Feb 86

[Text] Taipei, Feb. 19 (CNA) -- The Third Plenum of the Kuomintang's 12th Central Committee and the Third Conference of the party's Advisory Committee will last three days instead of the originally-scheduled two, the ruling party's Central Standing Committee decided Wednesday.

The two conferences, which will open simultaneously on March 29, will hear a report on the party's various programs by Mah Soo-lay, secretary general of the Central Committee, and work reports by the Executive Yuan, the Legislative Yuan, the Judicial Yuan and the Examination Yuan, and reports on the mainland situation, military preparedness and the international situation by the concerned agencies.

XU JIATUN ELABORATES ON MACAO POLICY, TALKS

HK181450 Hong Kong WEN WEI PO in Chinese 14 Feb 86 p 1

[Report from Macao: "Sino-Portuguese Talks To Begin This Year; Xu Jiatun on Policy Toward Macao"]

[Text] Xu Jiatun, director of the Hong Kong branch of the XINHUA, said yesterday that the talks between the Chinese and Portuguese governments on Macao's future will be carried out this year. When he answered the questions asked by reporters, he said that in the future, China's policy toward Macao will continue to embody the spirit of "Macao people governing Macao." He said that, as always, the Chinese Government will consider the actual situation in Macao, take better care of the interests of the compatriots of all strata and circles in Macao, and show concern for the interests of the Portuguese people in Macao.

Director Xu Jiatun went to Macao yesterday to extend Spring Festival greetings to various circles in Macao. At a tea party sponsored by the Macao Chinese General Chamber of Commerce, Macao Laborers General Union, and cultural circles, he said: This year is an important year for Macao. The work concerning the talks on Macao's future will be carried out this year. He pointed out that Macao will enter a new historical stage. Under the guidance of the principle of "one country, two systems," on the basis of the traditional friendship between China and Portugal, and on the basis of the experience of the Sino-British talks which have satisfactorily solved the Hong Kong issue, it is believed that the talks will be carried out smoothly and the Macao issue will be solved better and more correctly.

He said that during the talks, the CPC Central Committee and the State Council will consider Macao compatriots' interests. In a speech, he praised Macao for its previous achievements in its economic and other spheres. He hoped that the people of all circles in Macao will unite as one, promote the development of the talks, and maintain the prosperity and stability of Macao society.

Answering reporter's question on whether the Sino-Portuguese talks will be held next May as is rumored, Director Xu said: "No." He said that the actual date had not yet been decided at present. We have to wait for the results of the presidential election in Portugal. Only then can the Chinese and Portuguese governments discuss the details and date of the talks. However, Director Xu also said that the Portuguese presidential election would not affect Macao's future.

The second round of voting in the Portuguese presidential election will finish on 26 February [as published] At that time a new Portuguese president will be elected.

Accompanied by Deputy Director Zheng Hua and Deputy Secretary General Qiao Zonghuai, director Xu arrived in Macao at 1430 yesterday by boat from Hong Kong. He was welcomed by Ko Chengping, chief manager of the Nam Kwong Trade Company, and Li Yaochi and Wang Wenpin, deputy chief managers of the company, Ma Wanchi of the Macao Chinese General Chamber of Commerce, and others. At 1500 Director Xu and his party went to the Chamber of Commerce, at 1600 to the Federation of Trade Unions, and at 1700 to the Pui Tou Middle School, where he extended Spring Festival greetings to and greeted the arrival of the Year of the Tiger together with over 200 people of the Macao, industrial, commercial, women's, neighborhood, medical, workers, fishermen's, vegetable farmers, hawkers, educational, press, cultural, sports, youths, and students circles. At 2100 Xu Jiatun and his party left Macao for Hong Kong.

MING PAO REPORTS CONTINUED CRACKDOWN ON CRIME

HK190349 Hong Kong MING PAO in Chinese 18 Feb 86 p 5

["Special dispatch from Beijing": "Ministry of Public Security Holds Telephone Conference on Cracking Down Further on Crime"]

[Text] Liu Wen, director of the Criminal Investigation Bureau of the PRC Ministry of Public Security, has said that following the New Year holiday, various serious crimes such as snatching guns, murder, robbery, rape, theft, and so on have taken place successively in every locality, and that these crimes are savage, cruel, and vile and have resulted in serious consequences.

During the telephone conference called by the Ministry of Public Security on 28 January, Liu Wen stressed the current public order situation. He emphatically pointed out that this is a signal which merits attention and that it is imperative to call on the public security organs at all levels to attach great importance to it, to adopt effective measures, and to promptly stop these serious criminal activities.

Liu Wen stressed the four characteristics of the recent serious crimes: First, criminal crimes caused by the intensification of civil disputes are very outstanding. Second, in the cases of theft as well as snatching guns, robbery, murder, and so on, most criminals are driven by money to use every vile means to commit crimes. Third, as personal desires are not satisfied, some people deliberately create disturbances to take their revenge on the society. Therefore, some destructive sabotage and the wounding and killing of innocent people have taken place. Fourth, some cases which were rare in the past and involve savage and cruel criminal means have occurred.

This director of the Criminal Investigation Bureau asked public security organs at all levels to seriously analyze the trend of public order and the tendency in criminal activities and strengthen the measures for investigation, control, and prevention of crimes in light of the outstanding problems and the law in recent criminal cases. Whenever violent criminal activities break out, it is imperative to be quick in responding, investigating, and clearing up the cases. Therefore, it is necessary to organize the investigative forces well and persist in a round-the-clock alert to meet emergencies at all times. It is necessary to take vigorous measures to crack down on recidivists and persist in severely and promptly punishing them according to the law. Meanwhile, it is necessary to choose and energetically propagate some typical cases which are serious but have been uncovered, so as to inspire the people and frighten criminals.

The telephone conference was presided over by Vice-Minister Yu Lei. He pointed out that the increase in serious crimes is a result of many factors. However, as long as preventive work is done well, administrative work is kept up, and loopholes are plugged, serious crimes can be reduced. Public security organs in every locality must adopt effective measures against serious crimes and realistically strengthen investigative work, so as to promptly solve these cases and improve social order.

In coordination with the telephone conference, the Ministry of Public Security has issued an urgent notice demanding that public security organs at all levels and the security departments of railroad, highway, and shipping units strengthen the inspection of passengers' luggage and cargo, so as to remove hidden troubles and to prevent accidental explosions on passenger trains, motor vehicles, and ships, and strengthen the antiviolence security work in factories, mines, enterprises, and public places. The notice points out that following the New Year holiday, there have been many cases of malignant explosions deliberately caused by criminals, resulting in serious losses of lives and property.

TA KUNG PAO CITES IMPROVEMENTS IN PLA WEAPONS

HK190329 Hong Kong TA KUNG PAO in Chinese 15 Feb 86 p 3

["Special Feature" by Mu Chi: "New State of Weaponry in China's Three Armed Services"]

[Text] The latest issue of the Japanese magazine MILITARY DIGEST says that China has made progress in its military technology in recent years and has markedly improved its Army's weapons, which now approach the advanced level of Western countries. This was shown in the National Day parade in 1984 and in the international military exhibition in Beijing in January this year. From these events, people can perceive that although China puts military development in a less important position in its "four modernizations" program, China's military technology has still made substantial progress.

Communications Equipment Has Been Improved

Ground Forces: China's infantry has begun to use 5.56-mm automatic rifles, whose performance is close to the American-made M-16.

The communications equipment of the infantry units has been improved. They no longer use signal machines which were apt to be jammed as during the Chinese-Vietnamese war. The present communications equipment has the capacity to resist interference and is secure.

The infantry is equipped with advanced antitank launchers, which have a higher penetrating capacity than the "40 grenade launchers" and can be operated more efficiently under all weather conditions.

The Chinese Army now has motorized infantry units, equipped with armored personnel carriers with a turret and a 90-mm gun, new-type 6-wheeled amphibious armored cars, and the "531-1" tracked armored vehicles. These three new models of fighting vehicles can operate under all weather conditions.

A number of new types of tanks are being produced in large quantities, including the latest models of the type "62" and "59" tanks. They are all equipped with laser range-finders and rapid calculators so that they have night fighting capability. In addition, China is trying a new type of tank which is similar to the British "Challenger" tank. ("Challengers" are the latest model of tanks in service in the British Army.)

China's anti-aircraft units have been equipped with many new weapon systems, including a short-range anti-aircraft missile similar to Sweden's RBS-70 missile and an anti-aircraft system composed of guns and missiles similar to the Swiss "tianlo-maque" [tian lup-ma que 1131 5012-7802 7158] anti-aircraft system. [as published]

The Capability for Short-Range Deployment

The Air Force: China's Air Force has the capability to make rapid short-range deployments, because it possesses medium-range transport planes and medium-range helicopters, although it still cannot make rapid long-range deployments.

The improved models of "Jian 7" and Qiang 5" fighters have been widely deployed and sold on the overseas market. Egypt and Pakistan are the main buyers of these planes. These two types of planes are equipped with advanced electronics equipment made by Britain. Although they cannot match such sophisticated planes as the F-14 and F-15, they have ordinary combat capability.

I. 20 Feb 86

W 4

CHINA
HONG KONG MEDIA ON CHINA

Among the various models developed in China, one is well-known to the world because it is being developed with the help of the U.S. Air Force. Some reports say the model is called "Jian 8," but in fact it may be "Jian 10" or "Jian 11."

In the field of air-to-air combat, China's fighters are now equipped with the improved model of "Pili [Thunderbolt] 2" short-range missiles, which are said to be similar to the American-made "AIM-9L" missiles. In addition, China has succeeded in developing a new type of radar-guided air-to-air missile. It is said that its appearance is similar to the American "AIM-7" missile.

China Begins To Build Small Aircraft Carriers

The Navy: A new missile-launching frigate has been launched. It is said that this ship is equipped with ship-to-ship missiles similar to the French "Exocet" missile and is equipped with an American-made antimissile gun and an American-made LM-2500 turbine.

The "Jiangdong"-class destroyers have been equipped with "Hongqi 61" surface-to-air missiles which are similar to "Sea Sparrow" missiles. This will effectively build up the Chinese Navy's air defense capability.

Many warships for the Chinese Navy have been equipped with "Haiying 4" surface-to-surface missiles, which are an improved model of the Soviet "Styx" missile, and have turbojet engines and electronic countermeasures equipment.

China is developing a small 20,000-ton aircraft carrier, which may be built by improving on the blueprint of the Australian "Melbourne."

China is also building many nuclear-powered submarines which can carry ballistic missiles. These Chinese submarines are called "Xia"-class in the West, and China is building some "Han"-class attack submarines with nuclear power. Advanced submarine technologies of the U.S. Navy are being used in the building of these new submarines.

Because China holds an increasingly important political, economic, and military position in the Far East, China's military development will be conducive to the Far East's stability.

NAVY TO IMPROVE OFFICER-SAILOR RELATIONS

HK181438 Hong Kong MING PAO in Chinese 17 Feb 86 p 5

["Special dispatch from Beijing": "Navy Organizes Drive To Respect Cadres, Cherish Sailors"]

[Text] With regard to the estrangement between officers and sailors in recent years, the Chinese Navy has decided to strengthen the leadership of party committees at various levels, to launch a drive of "respecting cadres and cherishing sailors" for the purpose of making the relationships between officers and sailors closer, and to help officers and sailors solve problems regarding their food, housing, recreational, and sports activities.

The Political Department of the Navy issued a circular on 21 January calling on various naval units to launch a drive to "respect cadres and cherish sailors" in the first quarter of this year. The circular set four requirements:

1. Enhancing the level of understanding about the importance of respecting cadres and cherishing sailors: Party committees at all levels should educate officers and sailors so that they understand the importance of strengthening unity between officers and sailors. This has an important bearing on the combat effectiveness of the Navy. Party committees should help officers understand the relationships between officers and sailors, solve the fundamental problem of how to treat sailors, and remove the mentality that makes officers think "it is difficult to train sailors." Party committees should make it clear that the crux of strengthening relationships between officers and sailors lies with officers and that officers should foster a sense of responsibility for cherishing and training sailors. In addition, party committees should also straighten out some confused ideas among sailors and guide them in correctly handling the relationships between their personal demands and the need to build the Navy and to respect and trust officers.

2. Conscientiously examining the problems in relationships between officers and sailors: On the basis of improving their understanding, party committees at all levels should fully mobilize officers and sailors to examine problems in their relationships, with an emphasis on whether officers have a correct attitude toward sailors, whether they are rude to sailors, whether they insult and punish sailors at will, or whether they are indulgent of sailors' mistakes; on whether military, political, and economic democracy fully observed, whether sailors' rights are respected, whether there is infringement of sailors' interests; and on whether sailors obey orders and respect their officers or contradict their superiors. It is necessary first to solicit opinions through group discussions and public opinion polls and then to hold party branch enlarged meetings for the purpose of reaching unanimity of understanding, criticism and self-criticism, and working out measures for solving problems.

3. Carrying out various forms of activities: 1) It is necessary to encourage heart-to-heart talks between officers and sailors. Officers should take the initiative in having heart-to-heart talks with sailors, in soliciting opinions from them, and in making self-criticism, so as to clear up feelings of estrangement. 2) Officers should help sailors solve their ideological problems as well as problems in their work, study, and life. In this way, sailors will feel the warmth of their care. 3) It is necessary to carry out the activity of officers and sailors learning from each other, to disseminate the good practice of respecting cadres and cherishing sailors, to formulate pacts concerning respecting cadres and cherishing sailors, and to foster the good habit of respecting cadres and cherishing sailors. 4) It is necessary to perfect the democratic system, to improve and consolidate organizations such as companies revolutionary soldiers committees and economic commissions, and to regularly hold companies mass meetings as well as divisional and regimental sailors congresses, so as to ensure the democratic rights of sailors.

4. Improving leadership style: Divisional and regimental party committees and organs under them should conscientiously rectify the habits of officers suppressing democracy, infringing on the interests of sailors, and punishing sailors at will, and should abolish all "self-formulated policies." It is necessary to conscientiously examine how officers have punished sailors in recent years and to find a solution to this problem. Emphasis should be laid on educating and enlightening officers, and the method of forcing everyone to make self-examination should be discouraged.

JOURNAL CALLS BEIJING CADRE 'STAR OF TOMORROW'

HK190731 Hong Kong KUANG CHIAO CHING in Chinese No 161, 16 Feb 86 pp 34-35

[Article by Keng Chun: "Zhang Wei -- A Star of Tomorrow in Chinese Politics"]

[Text] Hu Qili Privately Called Zhang Wei To Find Out About the Situation of Beijing University

On "18 September" last year, a campus upheaval took place at Beijing University, a student strike which attracted the extensive attention of the world community and which Hu Yaobang called a "minor earthquake of 4 on the Richter scale." When the sentiments of the students were most disturbed, apart from maintaining connections with the person in charge of the Beijing University authorities every day through a hot line, Hu Qili, secretary of the CPC Central Committee Secretariat, especially called a young man from Tianjin to find out about the situation at the university. Two days later, the young man directly reported to Hu Qili on what he had found.

This young man with a broad forehead shrouded in considerable mystery is 31-year-old Zhang Wei, general manager of the General Corporation of the Tianjin Economic and Technological Development Zone.

At the end of the past year, I went to Tianjin and stayed in the "Huanggong (Imperial) Hotel." My room was dozens of meters away from Zhang Wei's office. Hence, I got to know this young "star of tomorrow."

I visited him in his office one night, 4 days before he started his tour of West European countries to give lectures there. He was busy drafting his lecture. The moment he finished a page of his lecture, it was immediately translated into English by a female translator who worked next door to him and a typist promptly worked out its English text and sent it to Zhang Wei's desk. He would give lectures in three European countries in English. Eventually, I saw his work style with my own eyes.

Three days later, I got a copy of Zhang Wei's draft lecture. He dealt with matters about which foreign investors were most concerned in concise language. Zhang Wei is a good orator. He is good at penetrating the psychology and characteristics of the audience and foreign businessmen. At the conclusion of his speech, he wrote: "Before finishing my speech, I have to mention the obvious fact that among the 21 enterprises which have been registered in the Tianjin development zone, U.S. and Japanese capital leads. Entrepreneurs from Britain, France, and the FRG have not yet invested in the zone. I think this state of affairs will not last long. We highly appreciate the creative spirit and high technology of our European friends. I firmly believe that so long as these factors are combined with China's labor force and raw materials, they will surely become a competitive economic force that no bloc can take lightly either in the Chinese market and in the world market."

He Was Once Chairman of the Student Union of Beijing University

Zhang Wei was once a middle school teacher and vice principal and a section head of the education bureau in Wuhan City. In 1977 he was admitted to Beijing University's economics department. During his studies at the university, he distinguished himself by his brilliant organizational ability. He was once chairman of the university's student union. When Chinese university students took part in elections in 1980, he was one of the first 3 of the 27 Beijing University students who entered the contest. Since he made no opportunistic remarks just to win votes, he was praised considerably by school authorities. His graduation thesis was entitled "The Problem of Labor Employment in China." In a public graduation appraisal, he received the highest marks throughout his department.

After graduating from the university, he was assigned to work in the investigation and research office of the Tianjin Municipal Government. He drafted important documents for former Mayor Hu Qili, and the present mayor, Li Ruihuan. He was later transferred to be secretary of the Tianjin CYL Committee. In December 1984, when Tianjin set up its economic and technological development zone, Zhang Wei was appointed deputy director of the zone's administrative committee and concurrently general manager of its general corporation.

In the year since he took charge of the Tianjin development zone, he has completed the work in such fields as making preparations for and working out plans and designs for the establishment of the zone, holding related talks and signing contracts, and organizing the construction of the zone. At present, in the section of the zone where the first-phase construction was undertaken, infrastructural facilities such as roads and water, electricity, and heat supplies have been basically completed and industrial building floorspace totaling 108,000 square meters has been put into operation. Twenty industrial projects are expected to go into operation this year. Important CPC officials, such as Peng Zhen, Wan Li, Li Peng, Hu Qili, and Gu Mu have inspected the Tianjin development zone one after another. They highly praised Zhang Wei for the work he had done.

Zhang Wei knows how to make the proper use of personnel. Through a job-invitation system, he recruited and promoted more than 200 people who had special skills and knowledge and were highly energetic, quick, and efficient in work. Among them, those under 35 comprised 60 percent; working personnel with a university or college education constituted 85 percent; and some 100 people could independently hold trade talks with foreign businessmen using a foreign language freely. This phenomenon can be considered rare in present-day China. Moreover, the important departments of the development zone have been manned with highly capable officials. Zheng Huaan, who studied in the Soviet Union and obtained a doctorate in electronics in the 1950's and studied in the United States and earned a master's degree in systems engineering in the early 1980's, did not have the opportunity at a defense industrial enterprise in Tianjin to give full play to his talent for quite some time in the past. After assuming office in the development zone, Zhang Wei determinedly transferred him to the zone as chief economist through a process of observation and study.

Wang Shuzu, first deputy general manager of the development zone, was formerly general manager of the Tianjin second construction company for the Luan He-Tianjin water diversion project, which had made a name for itself throughout the nation. Ye Disheng, another deputy general manager, is an expert in electronics with high prestige in China. These capable persons are separately in charge of the zone's planning, choice of projects, and construction of infrastructure facilities. It was precisely through the efforts of these intelligent and capable persons that a contract was signed in 4 days in the Tianjin Development Zone on the "container repair plant" project, a project on which the Hong Kong Hop Cheong shipping company and China's Ministry of Communications had failed to reach agreement in 2 years; a contract was signed in the Tianjin Development Zone within 3 days on the project for the 4- to 8-tiered circuit boards produced by the Tiansea company of the United States, a project on which no agreement had been struck in other parts of the country after talks which had lasted for 1 year; and a contract was signed in the zone within 2 days on the project for the plastic mold tools of the Japanese (Munekata) company, a project on which no agreement had been reached after 4 years of trade negotiations.

"Make Things Convenient for the Investors and Let Them Make Profits"

Zhang Wei is not the sort of a man eager for quick success and instant benefits. He held: In doing economic work, we must keep the general goal in sight and handle affairs in an enlightened way. The slogan he raised for the Tianjin Development Zone is, "Make things convenient for the investors and let them gain profits." He set strict demands on all units under the zone's jurisdiction and prohibited them from playing underhanded tricks, such as wantonly forcing water and electricity charges up and arbitrarily collecting foreign exchange earnings.

A Person Capable of Managing State Affairs

Some coastal cities in China "are skinning" the inland provinces. However, Zhang Wei advocated that considerate treatment should be given to the poor inland province and autonomous regions. He maintained: Without the raw materials and support of the Chinese hinterland, the development zone cannot last long. He provided funds to run training courses for Ningxia's cadres engaged in foreign economic relations and trade and personally led delegations to Ningxia, Xinjiang, and Nei Monggol to encourage the latter to set up intensive-processing bases for their raw materials in the Tianjin Development Zone with their output value, profits, and taxes going to related provinces and autonomous regions. His propositions met with objections from some people at a mayor's work meeting. However, Zhang Wei retorted: "In assessing the Tianjin Development Zone, we must see how many regions the zone has brought along rather than exclusively judging whether or not the land mass measuring over 30 square kilometers is prosperous." This idea of Zhang Wei was well received by inland provinces and autonomous regions. A middle-aged high-ranking CPC official said: "Zhang Wei is a person capable of managing state affairs."

A man of resource and astuteness, Zhang Wei has a boldness of vision in doing things. Loans at an annual interest rate of 10.8 percent are used to carry out the construction of infrastructure facilities of the development zone. So careful calculation and strict budgeting should be practiced in every accounting. Land levelling required nearly 2 million cubic meters of earth. Zhang Wei proposed the use of public bidding. The government of Tanggu District where the development zone is located proposed to undertake the whole project at a price of 12 yuan for every cubic meter of earth and to use local trucks to remove the earth, asking for a considerable sum in management fees. Otherwise, the development zone trucks would be banned from entering the boundaries of Tanggu District. Zhang Wei refused these seemingly harsh, extortionary terms. After telling the public security bureau director about the matter, Zhang Wei said: "I will charge head-on against those who block the development zone's trucks." Subsequently, at a meeting attended by experts and scholars, he raised the matter once again. This promptly aroused the indignation of the meeting participants. Officials from the Tanggu District had to see Zhang Wei late at night to beg for mercy and agreed to the zone's proposal for inviting bidders to undertake the land levelling project. As a result, the land levelling fee for every cubic meter of earth turned out to be 10.7 yuan. This saved funds for the zone and caused the official from the Tanggu District to yield willingly.

Zhang Wei is keen on making friends in all quarters. In his opinion, more friends mean more sources of information and with more information sources, it will be easier to handle business dealings in a flexible way. He maintains close ties with many overseas scholars who frequently provide him with the latest economic information. He regularly invites young and middle-aged economists from higher education institutions in Beijing and of the Academy of Social Sciences to provide the Tianjin Development Zone with consulting services. More often than not, Zhang Wei talks freely and to his heart's content with four young economists at Nankai University, dubbed the "four warrior attendants," asks them to ponder major issues concerning the development zone, providing funds for their studies.

Under Zhang Wei's leadership there is a brain-trust research office headed by a 29-year-old director, an office with a staff of just seven people whose average age is just 30. They are professionals in law, economic management, international banking, systems engineering, Chinese, and journalism. They often provide Zhang Wei with high-quality research materials for making major policy decisions.

Of China's 14 coastal cities designated for development, only Shanghai and Tianjin have the right to approve industrial projects involving investment under U.S. \$30 million each. The other cities only have the right to examine and approve projects using U.S.\$5 million each in investment.

The central government and the Tianjin municipal government empowered Zhang Wei to approve industrial projects with an investment amounting to no more than U.S. \$20 million, to directly send telegrams inviting overseas business firms and people without asking permission from the Ministry of Foreign Affairs, and to approve visits abroad by zone personnel. On that account, a well-qualified high-ranking official in Chinese politics said to the reporter, "Tianjin's Zhang Wei is a young man who is worthy of closer attention and full of promise."

COAL PREDICTED TO REMAIN MAJOR SOURCE OF ENERGY

HK130839 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English
13 Feb 86 p 5

[By Paul Sham]

[Text] China will still depend on coal as its major source of energy over the next 15 years despite the country's mounting activity in oil and natural gas exploration, a Hong Kong conference was told yesterday. Joint Authors Mao Jianxiong and Liu Caiquan of China's Tsinghua University said in a paper presented to the conference coal will account for not less than 70 percent of the country's primary energy production in that period. The three-day conference on "Pacific rim coal: consumption, production, trade and technology", is sponsored by Pasha Publications of the U.S.

The writers said China's rich coal reserves and rapid increase in production have made the fuel the country's dominant energy source. China plans to double production from the 1980 level of 600 million tons to 1.2 billion tons in the year 2000. By 1984, its proven coal reserves reached 781.5 billion tons, making the country one of the largest coal producers in the world. China has 53,000 coal mines, among which 500 are state-run, 2,500 province owned, and 50,000 collectively or individually run small mines.

Since 1949, the authors said, coal production has accounted for 68.5 per cent of China's primary energy output, and climbed to 73.7 per cent in 1983. Raw coal production totalled 847 million tons last year, second-highest of any country in the world and more than 26 times output in 1949.

The authors said industry is the main user, accounting for 46.6 per cent of total coal consumption. Some 20.3 per cent goes to power generation, 18.1 per cent to domestic use, 10.6 per cent to cooking, and 4.4 per cent to railway locomotives.

In view of the continuing emphasis on coal as the major energy source, efficient use of the fuel and environmental protection will be the major factors affecting its development in the years ahead, they argued. In contrast to an energy utilisation efficiency rate of more than 50 per cent achieved in developed countries, China has so far managed to attain only 27 per cent efficiency. And the thermal efficiency of industrial furnaces and kilns as well as domestic stoves stands as low as 20 to 15 per cent.

The uneven distribution of mines in China underlines the need to upgrade China's technology and management in this respect, the writers added. While most mines are concentrated in northern areas, such as Shanxi, Inner Mongolia and Xinjiang, the major consumers are found in industrial area in northeast and southern China. These industrial areas, including Guangdong, Guangxi, Hunan and Jiangxi, have deposits of low-grade coal, such as lignite, oil shale and anthracite which are difficult to burn with conventional equipment. Further development of combustion equipment which can utilise low-grade coal is therefore necessary. So far, more than 2,500 fluidised bed boilers, which burn low-grade coal, are operating in China, but they are being manufactured in growing numbers, with more than 240 units produced in 1984.

END OF

FICHE

DATE FILMED

21 February 86

